

LOMBARD

Changing the corporate form

BY GEOFFREY OWEN

THE LIMITED liability company has proved to be a remarkably successful and flexible instrument for bringing together the factors of production and making a steady expansion of industry throughout the world. In the U.K. and in other countries the framework of company law has been progressively altered and amended to take account of changing social conditions and new demands—for example, for greater disclosure. In Germany the law was changed to permit the appointment of worker directors to the upper level of a board. There is no reason in principle why similar changes could not be made in the U.K. But throughout these modifications one basic principle has been left intact—that the ownership of the company is vested in the hands of those who provide the risk capital, that is, the shareholders. Is this principle still valid?

Not obvious

As is well known, private shareholders are diminishing in number and influence throughout the world, including the U.S. and it is not obvious that this trend is likely to be reversed. The shares of most publicly quoted companies are increasingly in the hands of institutional investors, such as pension funds and insurance companies. Can these institutions really be described as owners? Is it axiomatic that they should be accorded the same proprietary rights as the old-style entrepreneur? They are, after all, trustees for other people's money. Except where their holdings are so large as to be virtually locked in, they switch from one investment to another in order to achieve the best combination of security, income and capital appreciation. Their expertise is almost exclusively financial.

Why should these financial intermediaries have the ultimate sovereignty over the companies in which they hold shares? The institutions are frequently urged to exercise their ownership responsibilities more actively and to exert a bigger influence over the management of companies in which they invest. Some of them are doing so. But these appeals seem to have more to do with the general desirability of maintaining a shareholder-based system than with the particular interests of the institutions themselves. An institutional investment manager, responsible primarily to his policy holders, may well be

inclined to sell his British shares as soon as he begins to feel doubts about the management. It is partly because of the traditional passivity of the institutions that attempts have been made to devise an alternative to the corporate form, in which the suppliers of equity capital would no longer enjoy a special ownership position but would share their rights with other interested groups, such as employees, suppliers and customers. These are the four constituencies which company chairmen often refer to in their annual statements (sometimes a fifth is added—the community at large), so why should not this arrangement be formalised in a new type of association?

Professor Andrew McCosh of Manchester Business School has done precisely this, working out a blueprint for what he calls a Productive Association. The principle is that a number of functions are essential to the success of an enterprise and those who supply them—whether it is labour, money, distribution outlets or raw materials—should have rights and responsibilities in proportion to what they contribute. As he puts it, "equality of contribution is associated with equality of power."

As of right

The full-time employees and the providers of risk capital would be members of the association as of right, with votes allotted to them on the basis of length of service and amount of capital contribution; key suppliers and customers would negotiate to become members if so wished. The bulk of the risk capital would be in the form of a "bonus debt" which would entitle the holder to a relatively interest payment (at a level not exceeding 25 per cent. of total proceeds). If any of the arrangements, which are set out in detail in a Manchester Business School working paper (Number 28), would preserve the possibility of moving funds into and out of the enterprise fairly simply. The aim of the new form of organisation is to eliminate, or at least to reduce, the contradictions and sources of conflict which exist in the regular system. Maybe most people have got to show how it can be adapted to cope both with the fundamental change in share-ownership patterns and with the new demands that are being placed on it.

U.S. TENNIS

John Lloyd is Britain's lone male survivor

BY JOHN BARRETT

SOLE BRITISH male survivor of the first round of the \$462,420 U.S. tennis championships at Forest Hills, New York, was 22-year-old Davis Cup man from Essex, John Lloyd. He took 90 minutes to subdue the double-handed South African, Joubert, who served left-handed.

The score, 6-2, 6-0, 6-4, accurately reflected the power of concentration shown by Lloyd. He started fast, and swept through the opening set with those familiar crisp backhands and deft volleys into the gaps that the South African could not answer.

But, unaccountably, as the second set began, Lloyd's touch vanished, and a string of careless errors gave the South African new heart.

Joubert broke serve in the opening game of the final set, but Lloyd contrived a break himself in the next game to level. The process was repeated to reach 2-2. Lloyd got what proved to be the decisive break in the ninth game with two more glorious backhands at which Joubert could only marvel.

"I can't explain how I lost concentration in that second set — I kept telling myself not to," said Lloyd afterwards. "I was lucky to get back into it at the start of the third."

Lloyd's next opponent should, according to the rankings, have been the British No. 1, Mark Cox. But he was the first seed to be defeated, falling in 89 minutes to the tall, 22-year-old Californian Butch Waitt 7-6, 7-6, after threatening for most of the match to break free of the inhibitions which constrained him.

Waitt, big and fast, has been surprising opponents recently by playing for Phoenix Racquets, one of the Team Tennis sides. He has a one-set victory over Wimbledon champion Bjorn Borg, and it was easy to see yesterday how he achieved it. The serve is fast and accurate, the ground strokes whipped up with spin to a good length, and the volleys firm and decisive. Despite some careless unforced errors, Cox first held set-point in the first three times Waitt saved the situation in the 15th game, to take the set into a tie-break. A left-hander, converted to right-handed play, Cox, attempting a dropshot on the backhand for the first time

in the match failed to clear the net and was a set behind. Despite breaking service in the opening game of the second set, Cox lost four games to go 1-4 down, and he fought back from 3-5 with firmness.

But, again, an opportunity was lost, when a point that was given him an important 6-3 lead with his own serve to follow was bravely saved by Waitt, who guessed correctly and slammed a crosscourt forehand volley out of reach. It proved to be Cox's last chance, for he lost the second tie-break by five points to seven.

Somewhat dejected, Cox said later: "I've got the British disease, that's all. It doesn't pay to play tennis over here—I'm always wondering if I should be on the plane home, to be with the family, and I can't earn money over here because the tax man takes it all." He confirmed that he would be flying home at once.

The second British casualty was Richard Lewis, the tall Middlesex left-hander, who despite recovering from a 2-1 deficit in the final set, was finally beaten 6-3, 4-6, 6-4 by the Spanish Davis Cup player, Antonio Muñoz.

Tesco plans a sports lottery

BY CHRISTOPHER DUNN

TESCO STORES is planning to pump about £200,000 a year into British sport via a lottery scheme Mr. Leslie Porter, Tesco chairman, said in London yesterday.

The scheme organised in conjunction with the Sports Aid Foundation, an independent fund-raising body, provides for the sale of 10p lottery tickets each week in 22 Tesco stores in South-East England.

If all the tickets on offer are sold, total revenue will be about £200,000. Total prize money paid out either in cash or vouchers will be £150,000, or £3,000 a week, while expenses should be about £150,000.

The scheme conforms to the Lottery Act 1975 which came into effect in May this year. Under the Act, up to 50 per cent. in revenue can be paid out in prizes and expenses should not exceed 25 per cent. of total proceeds.

Mr. Porter said the fund-raising scheme was "a unique and an absolute winner for British sport." He added that Tesco was "delighted to be able to assist some of the leading sports in the country, emphasising that the grocery chain intended to "push sales of the tickets."

Mr. Michael Goldhill, a Tesco director, said the idea for the scheme was first formulated in the early months of this year. But the introduction had been delayed until the Lotteries Act, which came into force in May 1975.

Independent Radio News editor named

BY JOHN BARRETT

TWO TOP appointments in commercial radio were announced by London Broadcasting yesterday.

Mr. Peter Thornton has been made editor of Independent Radio News, which supplies national news and bulletins to Britain's commercial radio network.

Mr. Keith Belcher moves into the new job of programmes controller for London Broadcasting. Both have been with LBC and IRN since the beginning of commercial radio four years ago.

Mr. Thornton, 32, who is married, joined IRN after working on the Daily Telegraph and the Daily Sketch. Mr. Belcher, 37, married with three children, joined LBC from the Evening Standard at Luton where he was news editor.

RACING

Remezzo looks a winner

BY DOMINIC WIGAN

CLIVE BRITAIN has always weighted Great Appeal, a close third behind Gravenhage and Come Play With Me at Catterick Remezzo, and his faith could prove justified at York to-day.

This young Newmarket chestnut, a major disappointment since finishing a lone fourth behind Clive's Example in Royal Ascot's King Edward VII Stakes, looks to have a bright chance of landing the open 14-mile Hestington Stakes.

Remezzo, a well-bred seventh behind Alleged in the Great Voltigeur over this course a fortnight ago, receives a useful 4 lb from Paparo and Gil of Shiraz, both penalised for recent victories. This weight advantage should see him home.

I hope to see Remezzo earn himself a place in the line-up for the St. Leger, (of which he is top-quoted at 200-1) by running out a clear-cut winner.

Edward Hyde, who rides him, seems to have another good chance of scoring for British, at Newmarket in the first of the Bishopthorpe Nursery.

Here he rides the lightly

weighted Great Appeal, a close third behind Gravenhage and Come Play With Me at Catterick Remezzo, and his faith could prove justified at York to-day.

As a son of Grey Mirage, this chestnut colt will be ideally suited by the prevailing good soft ground on the Thames, and he should also be at home over this one-mile trip which he attempts for the first time.

I take him to be a good expence of Lester's Progress, the much-improved Truly A Prince, in the hands of the other juvenile event on this Racecourse Club Concession

Day programme which also features a jackpot—the six-day Ladcaster Stakes—1 six-day age proceedings chiefly concerning Be Sweet and the highly rated Cherry Hinton.

The first-named put up a pleasing performance when winning third in the Lowther Stakes after an emphatic Wigan victory.

However, the form of Lowther looks distinctly shaky and Cherry Hinton, a second behind John de Coe in the Convivial at the last, may well prove a better bet in receipt of 10-1.

To-day's other flat races include a completed and highly rated jockey, Robert Street, to win at least one prize at Barry Hills' South Bank and his partners, Josselyn and Winton, to win the length of Windsor last year's Drive at Lambour's, and the Kendal Stakes, in which the improving stable companion, Fiorilana, in the Handicap half-an-hour later.

Bid to improve clothing output

BY KEVIN DONE, INDUSTRIAL STAFF

A RESOURCE centre for improving performance and productivity in the clothing industry is to be set up with initial financial support from the Department of Industry.

The Clothing Industry Productivity Resources Agency was first recommended by the Economic Development Committee for the clothing industry, which has been concerned for some years about poor productivity.

Economic Development Committee reports have suggested that there is room for at least a 50 per cent. increase in productivity in the industry, which shows up badly in comparison with its major international competitors.

The agency will have available a budget of £400,000 over about five years, but one of the committee's major aims is that it should become self-financing as quickly as possible.

Mr. Lewis Goodman, a director of Marks and Spencer, has been appointed as chairman of the agency, which will be incorporated as a company.

The agency is something of a novel development in British industry.

made payments totalling about £100,000 on a total of 10 awards. The reward upper was last increased from original figure of £1,000 to £5,000 in November, 1971.

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Banks double rewards to £5,000

BY KEVIN DONE, INDUSTRIAL STAFF

THE BANKS ARE doubling the maximum reward to £5,000 for public good ideas, a new bank scheme was announced yesterday.

Since the reward scheme was introduced in 1966, banks have

made payments totalling about £100,000 on a total of 10 awards. The reward upper was last increased from original figure of £1,000 to £5,000 in November, 1971.

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ENTERTAINMENT GUIDE

CC—These theatres accept credit cards by telephone or at the box office

THEATRE	THEATRE	THEATRE
COLISEUM, Credit Cards, 01-240 5258. 7.30-10.30. National Casino. Tonight & Tues. 7.30-10.30. National Casino. Tonight & Tues. 7.30-10.30. National Casino. Tonight & Tues. 7.30-10.30.	THEATRE, 01-336 2640. Evening. Med. Tues. 8.15. Sat. 8.15. NO SEX PLEASE. A Musical. 8.15. Sat. 8.15. THE WORLD'S GREATEST. A Musical. 8.15. Sat. 8.15.	STAND, 01-336 2640. Evening. Med. Tues. 8.15. Sat. 8.15. NO SEX PLEASE. A Musical. 8.15. Sat. 8.15. THE WORLD'S GREATEST. A Musical. 8.15. Sat. 8.15.
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Radio

† Indicates programme in black and white.

BBC 1

6.40 a.m. Open University (UHF only). 9.45 The Wombles. 9.50 Jackanory. 10.05 Sally. 10.25 G—USA. 1.05 p.m. On the Move. 1.15 News. 1.30 Ragtime. 4.18 Regional News for England (except London). 4.20 Play School (as BBC 2 11.00 a.m.). 4.45 Deputy Dawg. 4.50 Striker. 4.51 The Broken Biscuit Company. 5.38 Music Roundabout. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide. 6.55 Top of the Pops. 7.40 The Rockford Files. 8.30 Prison. 8.30 News. 9.05 The Hollywood Greats: Humphrey Bogart. 9.15 Play for Today. 11.15 Regional News. All Regions as BBC 1 except at the following times—

Wales—4.45 p.m. Crystal Tipps and Alistair. 4.50-5.10 Mae Gen I Storl. 5.55-6.20 Wales To-day. 6.55 Heddiw. 7.15 Top of the Pops.

BBC 2

6.40 a.m. Open University. 11.00 Play School. 4.55 p.m. Open University. 7.00 News on 2. 7.05 Children's Growing Up. 7.20 News on 2. 7.40 Beauty is in the Eye. 7.50 Baling Cinema: Gaumont British News, March 1953. 8.00 The Titled Thunderbolt. Holloway, Naunton Wayne and John Gregson. 9.25 And Now the studio special: Clio Laine 3:30. 6.00 Ann Dainton with Sarah Vaughan, John Williams, Ralph McTell. 10.15 Courage Needs Witnesses: The Films of Fred Zinnemann. 11.20 Late News on 2. 11.40 Close-down: Sean Barrett reads "The Worst of All Loves" by Douglas Dunn.

LONDON

9.30 a.m. Summer School. 11.15 Time to Remember. 10.40 Move Party. 11.05 The Great Little Trains of Wales. 11.35 Jan. 12.00 Animal Kwackers. 12.10 p.m. Stepping Stones. 12.30 Treasures in Store. 1.00 News. 1.20 Meet Betty Boop. 1.30 Crown Court. 2.00 Good Afternoon. 2.28 Racing from York. 4.20 The Time Tunnel. 5.15 The Tomorrow People. 5.45 News. 6.00 Spidee. 6.30 Cartoon Time.

RADIO 1

6.40 a.m. as Radio 2. 7.02 Noel Edmond. 7.09 Top Blackbirds. 7.15 24 Stewart with Uncle. 7.20 News. 7.24 Stewart with Uncle. 7.25 News. 7.30 Stan Reynolds and the Greatest Swine Band in the World (S). 7.30 David Allan's Country Club (S). 7.35 Sports Desk. 7.40 News. 7.45 Murray's Open House (S) including 5.30 Newsweek. 7.50 Pop Feel (also on VHF). 8.10 DJ DJ DJ. 8.15 News. 8.20 Radio 1. 11.30 Sports Desk. 1.30 p.m. Sports Desk. 1.35 Good Listening (VHF). 2.00 David Hamilton (S) at Radio 1, including on 200kHz. 2.05 184 KHz Scotland 2.05 and 1.45 Sports Desk. 4.30 Newsweek. 4.45 Sports Desk. 4.50 John Dunn (S) including 5.45 Sports Desk. 4.55 Sports Desk. 5.00 News. 5.05 Sports Desk. 5.10 News. 5.15 News. 5.20 News. 5.25 News. 5.30 News. 5.35 News. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 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EUROPEAN NEWS

Finland announces a 3% cut in value of mark

BY LANCE KEYWORTH

HELSINKI, August 31.

THE GOVERNMENT announced today that the Finnish mark will be devalued by 3 per cent. with effect from September 1. This is the Finnish reaction to the 10 per cent. devaluation of the Swedish krona on Monday.

The Governor of the Bank of Finland, Mr. Mauno Koivisto, said the Government's decision was "very satisfactory in view of the circumstances." This was an obvious reference to the inflationary impact of a larger devaluation, especially as the unions would certainly then have demanded compensatory wage increases.

According to the "devaluation clause" in the two-year collective bargaining contracts signed in April, the unions may demand compensatory wage increases if there is an "essential" change in the foreign exchange rates of the Finnish mark. "Essential" was later interpreted to mean 10 per cent. or more.

Danish foreign debt could rise £200m.

Denmark's total foreign debt will increase by approximately Kr.2.2bn. (£200m.) if the effect of Sunday's 5 per cent. realignment of the currency is felt in full against others informed banking sources told Reuter in Copenhagen.

The public sector net foreign debt is currently between Kr.1.7bn.-Kr.1.8bn., while the private sector debt totals Kr.2.7bn., they said.

French energy Industrial companies which are heavy consumers of energy will be exempt from paying a special energy tax of 2 per cent. next year as long as they invest three times the amount they would have paid in energy-saving measures.

Portuguese claim The Portuguese Communist Party has accused the Government of using violent repression to enforce reforms aimed at returning State-owned land to private ownership, Reuter reports from Lisbon.

Italy quake scandal erupts

BY PAUL BETTS

ROME, August 31.

SOME 15 months after the earthquake which devastated the northern region of Friuli and claimed 951 deaths, a political tremor has hit the area with possibly acute repercussions.

Local judicial authorities have opened an inquiry into an unsavoury story alleging corruption involving the construction of prefabricated houses for about 100,000 earthquake victims.

This follows the arrest of the Mayor of Malano, one of the towns flattened by the earthquake in May 1976, and the private secretary of the Christian Democrat government's special commissioner in Friuli, Sig. Giuseppe Zamberletti.

Both the Mayor of Malano, Sig. Ciriaco Bandera, and the commissioner's private secretary, Sig. Giuseppe Balbo, are charged with allegedly seeking bribes from building companies for the construction of the prefabricated houses in the earthquake zone.

decision of the ruling Christian Democrats to hold a massive American-style pre-election rally in their region next month. The party is in effect proposing to hold for the first time a national party festival, called the "Festa Nazionale Dell'Unita".

With the rank and file of the rival parties in a state of growing confusion as a result of the recent all-party collaboration accord, the rallies are becoming increasingly important for each party.

The Communists previously have been more successful in organising the festivals. This year, the Christian Democrats will stage an all-time spectacular. Leading party spokesmen will alternate on the Friuli stage with box office stars like Joan Baez and possibly the former Beatle, Paul McCartney.



President Spyros Kyprianou, the only candidate.

Kyprianou new Cyprus President

NICOSIA, August 31.

MR. SPYROS KYPRIANOU became the second president of Cyprus today, succeeding Archbishop Makarios who died of a heart attack on August 3.

Mr. Kyprianou, 44, was the only candidate nominated for the post by the deadline of mid-day today, so an election set for September 10 was called off. He will serve for the rest of the current five-year term of office, which will end in February.

Political sources said that none of the four main Greek-Cypriot political parties had planned to oppose Mr. Kyprianou, choosing to avoid political tension so soon after the archbishop's death. But they said that a contested election could be expected in February.

Some observers wondered how long Mr. Kyprianou, who suffers from heart trouble, will be able to carry the presidential load. As chairman of the House of Representatives, he became acting president of the republic on the death of Makarios.

Mr. Kyprianou, a politician of the Right and Foreign Minister from 1960-1972, was a solid supporter of Makarios. He has said that he will maintain a non-aligned foreign policy for Cyprus and, like Makarios, oppose creation of separate Greek-Cypriot and Turkish-Cypriot states on the island.

Turkish forces invaded the island in 1974 and have occupied about a third of it since then.

Tough Giscard line on Spain's EEC entry

BY ROBERT MAUTHNER

PARIS, August 31.

THE FRENCH President M. Valéry Giscard d'Estaing, today made it clear that while France welcomed Spain's application to join the Common Market, it was not prepared to sacrifice the interests of its Mediterranean farmers.

M. Giscard d'Estaing's statement, made after talks with the Spanish Prime Minister, Sr. Adolfo Suarez, confirms that France will strike a very hard bargain during the negotiations on Spain's entry into the European Community.

Though the talks took place in a friendly atmosphere and

St. Suarez said he was very satisfied with their outcome, the opposition of French producers of wine, olive oil and other Mediterranean products to Spain's membership is so great that the French Government cannot afford to neglect their views, with a general election due next year.

Moreover, it is not only the French farmers who are hostile to Spanish entry into the EEC. M. Jacques Chirac, the Gaullist leader, is on record with the blunt statement that the entry of Spanish agricultural producers into the Common

Market was "out of the question." The French Communist Party has been equally outspoken in its opposition. French industry, too, is worried by the competition it will face from Spanish car, steel and shoe manufacturers.

President Giscard, who is personally in favour of Spain's membership because it would make the Common Market more Mediterranean-orientated and provide a counterweight to the dominant northern countries, is therefore in a very difficult position.

French presidential palace today, fully reflected Giscard's embarrassment. He said that France had every reason to welcome Spain's admission and described Spain as a neighbouring, democratic and friendly Latin country. At the same time, however, it said that negotiations for Spain's entry should be carried out "precisely and realistically" and that the membership agreement should provide proper guarantees and transitional periods which would protect the interests of other members.

BASQUE NATIONALISM

Separatists line up for a struggle

BY DIANA SMITH, RECENTLY IN PAMPLONA

Thirty-five thousand people gathered last Sunday half way up a mountain outside Pamplona. They spoke, shouted and sang in the ancient, guttural language of Euzkadi, the Basque nationalists' name for their homeland.

It was an emotional gathering of militant nationalists, old and young, ultra-left wing splinter Marxist parties and cheerful Basques of all ages crying for total independence, amnesty for all Basque militants in jail or in exile, and for socialism in its most uncompromising, dogmatic sense. Sr. Felipe Gonzalez's moderate Socialist Workers' Party (PSOE) or the Communists (paradoxically also considered moderate, and without real roots in the Basque country) were conspicuously absent, as was official, moderate, Basque leadership.

The choice of Pamplona as a venue for the end of a 39-day nationalist march from the "four winds"—the four Basque provinces of Guipuzcoa, Vizcaya, Alava and Navarre—was a deliberate attempt by the organisers to draw the city into the separatist camp. Pamplona and its province of Navarre have their own, more Spanish traditions, with a history of support for the Carlists—the Bourbon-Parma rival claimants to the Spanish throne.

The crowd got what most of them have come for—a chance to air emotions in receptive company, a chance for militants to tell themselves and the world that they are special and entitled to special treatment. Unity, however, was less easily achieved.

Political parties accused the nationalists of preventing them from speaking. All in all, it was a quintessentially Basque gathering, half-cheerful, half-angry, confused, quarrelsome, friendly, antagonistic and colourful.

Whatever else Basque nationalism may reflect, it is not lack of prosperity. The average Basque wage is 25 to 30 per cent. above the average Spanish monthly wage of £180. The four Basque provinces and their 2,700,000 people—who cover only the 3.2 per cent of Spanish territory, consume 16 per cent of the country's fuel oil and 7 per cent of its petrol. Pamplona, Bilbao and San Sebastian testify to Basque industriousness, with their broad belts of modern factories, well-stocked shops, clean, tree-lined streets and new high-rise developments.

The stampede towards total independence and militant left-wing socialism favoured by Euzkadi nationalists does not surprise Basques. Many confess to emotional sympathy with the nationalists, but basically would be content with economic and, above all, judicial autonomy. They want a greater share of the benefits of the wealth they have helped to create, and much tighter control over the activities of the police force.

The Madrid government, in fact, has begun cautious contacts with members of the Basque government in exile (the last vestiges of the body that briefly ruled the provinces during the civil war), working delicately towards a solution that will, one day, give Basques substantial autonomous powers.

Such measures, however, are not likely to satisfy the extreme nationalists. No Basque can forget many will not forgive, the emotional scars created by the civil war and the humiliation

and fierce reprisals meted out by General Franco's regime. Civil war scars abound all over Spain, but the Basque country has a larger number of displaced firebrands prepared to sacrifice their lives—or to kill—for a vengeful cause they believe to be just.

not rest until all Basques are freed from Spanish jails or returned legally to their homes. Fourteen Basque nationalists have been killed by the authorities before the June general elections and another 100 are in prison. Nine Basque nationalists were broken their promise to stay out of the election, and slipped back to the authority in many eyes.

The dilemma has been aggravated by the case of Miguel Apalategui, commonly known as Apala, a 22-year-old Basque nationalist who fled to France and is wanted in Spain for murder and kidnapping in 1974.

The Spanish authorities have begun extradition proceedings against Apala, who, to his returning home as a hero has been on hunger strike for 30 days in Marseilles since August 19, almost all pro-Apala demonstrations in Basque country have added to the tension.

The Spanish Government drops the extradition request in heated public debates. In heated public debates, made clear that long-term consequences of letting Apala go would be dangerous. A heretic nationalist autonomy take without a doubt, a tidal wave of separatist violence which they have, it authorities could not afford to ignore.

Basque nationalist organisations are eager to respond to this. The nationalist organisation would begin again, this time in the Basque Land of another crop of bitter memories, killed, injured and grand excuses for revenge.

Basque nationalists have won Government approval to hold mass marches the week-end in the northern cities of Bilbao and San Sebastian. UPI writes from Madrid. However, the provincial government in San Sebastian, scared of clashes between demonstrators and police in recent weeks, said on Tuesday night that permission for the march there would be withdrawn if new street disorders erupt before the

The Civil Guard and armed police remain for many Basques an ever-present symbol to be hated even if they try, as they did last Sunday (under strict orders to be cool and courteous) to alter their image.

The separatists present the Madrid Government with a constant dilemma. Basque nationalists, whether they are militant socialist or simply militantly individualistic, will

Mr. Martin Villa, who as Minister of the Interior is ultimately responsible for Spain's police forces, has sent the Deputy Director of the Directorate-General of Security, and the Deputy Inspector-General of the armed police to Santander to make a thorough inquiry into the allegations. Both Sr. Villa and the Civil Governor of Santander, Sr. Gabriel Pena Aranda, have indicated that, if necessary, they will resign.

Sr. Villa added that, if allegations by Sr. Blanco—member of the Socialist Workers' Party (PSOE) which, with 118 seats is the second largest party in the Cortes—are proved, those responsible will be dealt with appropriately.

The alleged attack on Sr. Blanco has caused a furore in Spanish political circles. Although the Santander civil note indicating that the Socialist MP may have insulted the police when, according to Sr. Blanco, he went to the rescue of a youth being beaten up by a group of armed policemen, MPs of all parties including the ruling Union of the Democratic Centre (UCD) have stressed that the incident was an immunity-protected MP by Spanish law.

of a youth being beaten up by a group of armed policemen, MPs of all parties including the ruling Union of the Democratic Centre (UCD) have stressed that the incident was an immunity-protected MP by Spanish law.

President Tito, in turn, made it clear to Chinese leaders in a public speech last night that he did not agree with the Chinese view that war is inevitable.

The lavishness of the President's reception is a culmination of the steady progress in relations between the two countries since the bitter ideological differences of the 1960s, when Chinese leaders castigated Tito as a revisionist. China now staunchly backs the Balkan state for its stoic refusal to be drawn into the Soviet bloc.

The Yugoslav leader has not faltered in his strenuous schedule, though he personally delivered only a brief portion of his lengthy banquet speech last night. He walked unaided, his voice is still firm, and his chestnut-red hair and face-lift reveal his vain attempts to stave off the march of time.

NEW BASQUE MARCHES APPROVED

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Table with 3 columns: Assets, Investments and Loans, Deposits, Capital Reserves, Provisions, Gross Revenue. Values in millions of U.S.\$ as of December 31, 1976. Change from 1975.

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PITTI UOMO FLORENCE PALAZZO DEGLI AFFARI PIAZZA ADUA 16-19 SEPTEMBER 1977 COMPLETE SHOWINGS OF ITALIAN MEN'S FASHION OFFICIAL PRESENTATION OF THE SPRING/SUMMER 1978 COLLECTIONS BY THE MOST IMPORTANT FASHION FIRMS admission restricted to buyers and the press CENTRO DI FIRENZE PER LA MODA ITALIANA for information, programme and list of exhibitors: 109/111 via Faenza - 50123 FIRENZE (Italy) telephone: 055-219351/2/3

AMERICAN NEWS

Burmah faces \$21m. loss with collapse of LNG project

PARIS, August 31. THE VIRTUAL collapse of the agreement to switch two of the owners have secured federal approval to switch two of the...

Robert del Quiaro reports on the prospects for a return to civilian rule in Peru A difficult road back to democracy

TRYING TO chart Peruvian politics used to require much poring over the order of seniority of the 70 or so army generals on the active list. Significant movements at the political hub tended to be determined by factors such as direct command of troops...

But despite the strike, the exclusion from real political activity of the labour movement remains uncertain. Sources on the left claim that as many as 70 per cent of workers belong to a union. But that more than a rump following in merely represents a small minority of Peru's population...

fast, and the standards of nutrition of millions of poor people falling. The slums surrounding the coastal cities are larger than ever—more than half of the population of Lima (variously estimated at between 3.5 and five million) live in shanties around the centre of the city. Most predictions indicate that living standards will continue to worsen; doubts endure about whether the present government has much prospect of improving the economic situation.

The military, despite much expensive effort, has not created a civilian body of any weight to support it. . . . A continued decline in living standards is likely to cause continued unrest. . . . The military are apprehensive about the possibility of another general strike.

Until there is an election, the actual distribution of popular support remains uncertain. There is still doubt, however, as to whether elections will be held as promised.

Corporate investment set to rise, survey suggests

WASHINGTON, August 31. THE PROSPECTS for sizeable corporate investment, particularly when the June returns had shown a decent 4.8 per cent increase over May...

How to clear that expansion bottleneck, without upsetting your finance director



A successful and expanding company often reaches a stage when, for want of finance, it is restrained by an expansion bottleneck. Sometimes you just know you could be bigger and better if only you could clear that bottleneck. You cannot go on passing up major opportunities for growth forever, so something has to change.

Oil companies convicted

NEW YORK, August 31. FIVE U.S. oil companies and which along with Crown Central Petroleum, was acquitted of the same charges...

SEC asks for loan details

NEW YORK, August 31. SECURITIES and Exchange Commission (SEC) is asking commercial banks to disclose details of loans made to officials of companies which directors of companies which customers of the bank. The...

Guyana strike break bid

GEORGETOWN, August 31. GUYANA Government will induce in Parliament tomorrow bills to strengthen the country's national security laws in wake of a crippling sugar strike in its eighth day.

Investing in North Sea and America oil and gas production through Viking Resources International N.V. Listed on the Amsterdam Stock Exchange.

Medium Term Loans from Midland Bank. A successful and expanding company often reaches a stage when, for want of finance, it is restrained by an expansion bottleneck. Sometimes you just know you could be bigger and better if only you could clear that bottleneck. You cannot go on passing up major opportunities for growth forever, so something has to change.

Vertical text on the left margin: EC entry, PARIS, August 31, much presidential, board's embarrasment, son to welcome, mission and delecta, i friendly latin, come time, however, if regulations of, try should be, and, a that the, recent should, super guarantee, meet the interest, mbers.

OVERSEAS NEWS

Pressure increases for arrest of Bhutto

BY OUR FOREIGN STAFF

PRESSURE is growing on Gen. Zia ul Haq, head of Pakistan's military government, either to arrest the former Prime Minister, Mr. Z. A. Bhutto, or to postpone the October 13 general election and return to civilian rule. Gen. Zia's position is weaker than when he took over from Mr. Bhutto early in July and diplomatic observers fear he may face a revolt from within the army should he persist in his determination to see the election through on schedule. The corps commanders in Rawalpindi, Lahore and Karachi - Generals Chisti, Iqbal and Arbab - who supported the military takeover, are reported to have made strong representations to Gen. Zia. Rather than see Mr. Bhutto returned to power or the country subjected to the violence that characterised the March election campaign, they prefer to take matters into their own hands, these observers say. Meanwhile General Zia is also coming under pressure from members and supporters of the opposition Pakistan National Alliance to publish findings of current investigations into abuses of power by the deposed Bhutto regime, and three opposition leaders have demanded that Mr. Bhutto be put on trial. So far, he has steadfastly refused to do this. It is believed that the findings would be very damaging to Mr. Bhutto. But the former prime minister has threatened to boycott the elec-

tion if he is not meted "impartial" treatment by the present administration. Moreover, any move towards his arrest could bring violent reaction from the still considerable body of his supporters. General Zia is known to consider Mr. Bhutto's participation crucial to a conclusive election, and his much-repeated insistence that he intends to proceed with a return to civilian rule in October, handing over power to whoever may win the election, is widely believed. Whether he will be allowed to do so is quite another matter. If General Zia is prepared to accept the consequences of yielding control to the man he deposed, other Army men are not. Mr. Bhutto's ability to muster support in this campaign is substantially less than in the previous election. Many formerly pro-Bhutto newspapers now openly criticise him and his regime. The increasing number of defections from the PPP, including five of his former ministers, also shows the tide turning against him in a country where political allegiances tend to fluctuate regularly according to who appears to be in the lead. However, the enthusiastic crowds turning out for Mr. Bhutto since his release from detention show that he still has a strong power base and his

chances of an election win, though reduced, cannot be ruled out. The judiciary could well play the decisive role in the struggle. They may be called on to do so within a few days, depending on the outcome of two current attempts to bring Mr. Bhutto to court. One of these concerns a contempt action against Mr. Bhutto's detention two years ago of a political opponent who had secured pre-arrest bail; the other, due to start in a few days, relates to a political murder in which the defendants have implicated the former Prime Minister. Mr. Bhutto has threatened to challenge the constitutional position of the martial law authorities, if he is brought to court. The constitution states clearly that "The Prime Minister shall continue to hold office until his successor enters upon the office of Prime Minister." The martial law authorities refer to Mr. Bhutto as "the former Prime Minister" and General Zia has not assumed that himself. Moreover, he has not abrogated the constitution but merely put it in abeyance. On the other hand, the judiciary might react strongly to any attempt by General Zia to prevent Mr. Bhutto's being brought to court - the judiciary in Lahore, in particular, is considered highly independent and ready to consider a contempt action should the General intervene.

S. Arabia 'could earn \$4.6bn. on investments'

By Our Foreign Staff

SAUDI ARABIA'S income from its foreign assets could total \$4.6bn. this year and this emphasises the long-term impact of this country on international finance, according to a study entitled "Saudi Arabia's Earnings from its Foreign Assets," just published by the First National Bank of Chicago (FNBC). This study, carried out by Dr. Odeh Abdardene, the bank's assistant manager, and published in the recent edition of the authoritative weekly, Middle East Economic Survey, points out that, hitherto, experts on Saudi monetary affairs have concentrated on oil income, ignoring the earnings from investments abroad, and their ultimate effect on world finance. Saudi Arabia, unlike several of the oil rich states, has held back from purchasing stakes in leading Western industrial companies or real estate on a large scale; it points out. Its investments are mainly deposits with foreign banks, primarily dollar deposits in Europe and the U.S., especially U.S. government obligations, notably treasury bills, bonds and notes. Other Saudi investments consist of contributions to the U.S. all facility, bilateral loans, the World Bank and other funds. Sterling holdings, compared with those in Deutschmarks, Swiss and French francs and Japanese yen, are small. The study shows that Saudi Arabia's foreign assets rose from \$786m. in 1969 to \$49.6bn. in 1976, while income earned over the same period rose from \$59m. to \$2.8bn. Its projections for 1977 to 1981, anticipate a rise in foreign assets from \$62bn. to \$132.9bn. and in earnings from \$4.6bn. to \$10.1bn. Under these conditions, Saudi Arabia could become a major capital-exporting country and the industrial countries net importers of capital on a continuing basis.

WORLD TRADE NEWS

West German economy hit by falling foreign demand

WEST GERMANY'S trade surplus will show a clear increase this year, but foreign demand is growing too slowly to boost the country's economy further, the Berlin Economic Research Institute said today. Exports and imports rose by some 6 per cent in real terms during the first half against the same period last year, with slow-downs likely in the second half, it said in its weekly report. Import growth in the second quarter alone was only a real 3.5 per cent, against 8.5 per cent in the previous three months, a year to year basis, while there was a seasonally and calendar adjusted drop of 1.5 per cent between the two quarters, the first since early 1975. It added. The institute said Germany's second half export surplus is hardly likely to fall short of that of the first half, with export and import prices expected to grow at similar rates. Latest figures from the Federal Statistics Office showed that the surplus rose to DM20.1bn. in the first seven months from DM18.8bn. the previous year. A few months ago, the institute said the surplus would show little change from 1976, when it declined by 7.5 per cent from the 1975 level to DM34.5bn., well down on the record DM50.8bn. achieved in 1974. Although exports have been growing slowly since last autumn, the institute said foreign order figures do not suggest expansion will stop or be replaced by a decline. But demand from abroad is not moving ahead quickly enough to give the German economy a renewed stimulus, the cause being the slack economic pace in major customer countries. In the second quarter, exports in real terms were only 1.5 per cent higher than the first quarter total, which showed a 3 per cent rise on the final three months of 1976, it said. Reuter

Davy wins Yugoslav contract

FINANCIAL TIMES REPORTER

DAVY POWERGAS, a British international company, signed a major contract, worth \$35m., with INA, Kemijska Industrija, Yugoslavia, for the design and supply of plants forming part of the fertiliser complex to be constructed at Kutina, Croatia. The facilities comprise a metric tons per day nitric plant, a 500 metric tonne per day ammonium nitrate plant, a 500 metric tonne sulphuric acid plant, a metric tons per day phosphoric acid plant together with metric tons per day mixed fertilisers (MAP/NPK). The contract will be financed by U.K. credit facilities arranged by Lazard under ECDF guarantee. This is the latest of a number of major contracts won by Davy this year in all parts of the world. Davy's book of contracts is currently the largest in the world.

Strauss postpones Tokyo visit

BY JUREK MARTIN

MR. ROBERT STRAUSS, the U.S. Special Trade Representative, has postponed his trade talks in Tokyo with the Japanese Government, which were to have taken place next week. President Carter asked Mr. Strauss on Monday to stay in Washington during the period of next month, it is unlikely that the Japanese visit can be scheduled before early October. The Japanese discussions were to have centred on preparations for the climactic round of multi-national trade negotiations early next year in Geneva. The U.S., however, appears confident that the delay now incurred will not prove serious. Nonetheless, Mr. Strauss's presence in Washington next week to confer with the American heads of state, the evidence of the considerable

Trade with China falls

TOKYO, August 31.

JAPAN'S TRADE with China in the first seven months of 1977 totalled \$1.84bn., down 4.2 per cent from a year ago level of \$1.935bn., the Japanese Finance Ministry reports. Japanese exports totalled \$1.016bn., down 17 per cent from \$1.212bn. from a year ago, and imports from China \$828.424m., up 17.6 per cent from \$713.140m. Ministry officials said. The two countries trade in July totalled \$35.026m., up 39 per cent from June. Japan's exports amounted to \$213.853m., up \$100m. from the previous month, and imports \$136.168m., unchanged from June. Tokyo Shimbun Electric Agencies.

U.S. agrees S. Korea exports deal

SEOUL, Aug. 31.

THE U.S. and South Korea have agreed a new trade agreement for 1978-82 here today. It provides for more restrictive quotas on Korean exports than the current accord, due to expire next month. The document was initiated by Michael Spoth and Korean Assistant Foreign Minister Choi Ho-Chung. The previous round was held in Washington a month ago. The new accord will allow an annual quota growth of 8.5 per cent for all but six "sensitive" items during the four-year period after 1978, A.P.

New design offered by Boeing

By Michael Donno, Aerospace Correspondent

BOEING of the U.S. is discussing with the world's airlines a new proposal for a new aircraft for the 1980s, called the "Boeing 727-200". It is a "wide-body" aircraft, larger than the 727 twin-engine jet. Boeing envisages the Boeing 727-200 as a one-step flight to the U.S. It would use the General Electric CF6-80 turbofan engine. It is hoped that this aircraft will meet the requirements of airlines, the biggest of which is the U.S. upon whom Boeing places much of its hope for launching order some time in the future. At the same time, Boeing hopes its new design will favour many world airlines seeking short-to-medium range jets. Boeing believes that it could eventually be a family of jets, a three-engine aircraft of a greater range and payload. Reports from the U.S. that Boeing is still working on the design of a new aircraft, especially on the wide fuselage, which will be where the 727's concepts. Boeing hopes to get design by the end of 1977 to enable airlines to begin their studies in 1978, for delivery by 1982. The emphasis now placed on the 727 as a Boeing recently offered and European aerospace manufacturers the chance of a stretched version of current 737 short-range aircraft. This idea, if adopted, would mean continuing the 737, while freeing Boeing to spend its own resources on new 787 plans. So far, however, the indication that the U.K. European industries will be the Boeing suggestion, would mean virtually halting their own plans for a medium range jet, the British Aerospace X and the French Aero A-200. British Aerospace has said that it hopes to be say more about the X-Ele proposals by the end of this

South Africa to boost economy

BY QUENTIN PEEL

JOHANNESBURG, August 31.

THE FIRST hint of government action to stimulate the languishing South African economy was given today by Senator Owen Horwood, the Minister of Finance, when he declared that a more expansionist policy might be considered later this year. He predicted a gradual shift in emphasis from tight fiscal and monetary policy towards the stimulation of healthy economic growth. The move would concentrate on selective stimulation through schemes such as housing for black and coloured (mixed race) communities, and the proposed electrification scheme for Swaziland. Projects chosen for such selective stimulation must either be very productive economically, or have important social or political advantages which can possibly also lead to an improvement in the capital account," he said. Circumstances might also require a further increase in defence expenditure, he predicted, resulting in an overall mildly expansionist effect from government finances in the latter part of the year. However, Sen. Horwood insisted that any stimulus would "be kept within tight limits," and "strong financial discipline" would be maintained in the public sector. Limits on bank credit to the private sector could also be

relaxed again, the Minister said, following the decision last week by Dr. T. W. de Jongh, Governor of the South African Reserve Bank to raise the ceiling on bank credit by 0.5 per cent each month. Sen. Horwood pointed to the net outflow of capital from the country in recent months, without which he said the position would have been more normal, with a sharp rise in net gold and other foreign reserves. He agreed that South Africa should become less dependent on foreign sources for its capital needs, and said that foreign capital was now providing only between 10 and 12 per cent of those needs, compared with a previous level of about 15 per cent. He emphasised the importance of reviving confidence in the economy, and added: "Much will depend on what happens in the world economy and to political circumstances in Southern Africa. "If we want foreign business undertakings to plough their South African profits back into the South African economy, and new foreign capital to be invested here, we will have to get a new upswing in the economy." Having overcome problems with the current account of the balance of payments, money supply and government expendi-

ture, the country now had to guard against a lack of confidence in its ability to end the recessionary tendency, he said. S. Pacific fish zones declared By Colleen Ryan PORT MORESBY, August 31. MEMBERS of the South Pacific Forum have agreed to declare 200 mile fisheries zones, where possible, by March 31, 1978. This decision, which affects 3m. square miles of ocean, was taken at the fourth session of the forum, held here yesterday. Members include Australia, New Zealand and the 10 independent or self-governing South Pacific island nations. Members also decided to begin preliminary talks for an agreement on principles and measures to be applied in the establishment of their extended fisheries jurisdiction and for at least a provisional agreement on a common basis for negotiations with distant water fishing interests in relation to highly migratory species, such as skipjack tuna. The decision to declare fisheries zones could seriously affect Japan, which has extensive fishing interests in the South Pacific.

Nigerians go to the polls

Lagos, August 31.

NIGERIANS voted today in elections for a 203-seat constituent assembly, according to a Lagos radio report monitored in London. The assembly will be responsible for drafting a new constitution for the country which has been under military rule for 11 years. The meeting itself was held in a hall in Lagos. The assembly will be responsible for drafting a new constitution for the country which has been under military rule for 11 years. The meeting itself was held in a hall in Lagos. The assembly will be responsible for drafting a new constitution for the country which has been under military rule for 11 years. The meeting itself was held in a hall in Lagos.

Agreement on Malaysian LNG

BY KEVIN RAFFERTY

SHELL and Mitsubishi have made important concessions to that all the liquefied natural gas to be carried in vessels of the company, over plans to build a Malaysian International Shipping Corporation at prices to be determined by the Malaysian State. The gas is intended for the Japanese market. In the end, in spite of their tough bargaining and the keen interest, at least of the British and Dutch Governments in their cause, Shell and Mitsubishi decided to give way to the Petronas arguments. Sources in Kuala Lumpur say that in the final analysis the foreign companies accepted that if a dispute arose over the law there would be no such of an agreement left, and it was better to be in the deal than out of it. There is some speculation among oil industry circles that one factor that may have persuaded Shell and Mitsubishi to shift their position was that the Japanese Government may have expressed interest in helping Malaysia if the original deal fell through. The companies and Malaysia itself have a lot at stake. Shell has large oil interests in the east Malaysian States of Sarawak and Sabah. Japan gets many of its raw materials such as tin

Iran orders GEC turbines

BY ALEXANDAR LEB, IN WARSAW

Iran has ordered GEC Gas Turbines of Whetstone, Leicester, to supply the Imperial Iranian Navy with a complete packaged gas turbine driven power generation plant. The plant will be installed at the Bandar Abbas dockyard in southern Iran and will be used for standby duty. GEC GAS Turbines of Whetstone, Leicester, has been awarded a contract worth over £2.3m. to supply the Imperial Iranian Navy with a complete packaged gas turbine driven power generation plant. The plant will be installed at the Bandar Abbas dockyard in southern Iran and will be used for standby duty.



Dr. Owen... deadly serious.

Martin Dickson describes a strange double act with no patter

The road to Rhodesia

THE YOUNG, handsome, loquacious British Foreign Secretary and the charming black U.S. Ambassador to the U.N., a man with a reputation for straight-talking and political indiscretion, go off to Africa in tandem to sell new proposals for a Rhodesian settlement. It looks like the perfect scenario for a grand display of political showmanship: a sizzling double act with perhaps a hint of mutual upstaging. But this has been no David and Andy roadshow. In the past week, as Dr. David Owen and Mr. Andrew Young winged their way round Africa in a Royal Air Force VC-10, covering 13,000 miles in seven days at a cost to the Foreign Office of £42,000 in direct expenses, the two have maintained a resounding silence. They have rarely briefed journalists accompanying them, and when there have been a few public words Dr. Owen has done the talking. Mr. Young has kept a low profile, which he clearly finds frustrating: he often speaks signs of wishing he could speak his mind. do not wish to be seen to be affecting the general election in Rhodesia explains the tone of their trip. The proposals in the form of a British White Paper, will be published to-day after the election is over, though at one time the Foreign Office did consider releasing the plan before the elections, believing that if it did not it might be accused of deceit. South Africa, for one, argued strongly against this and Britain decided to stay its hand. It is all the more remarkable, then, that details of the plan should have been leaked to the Press from the U.S. side of the mission while it was in Lagos. It is accused most unequivocally that this might have helped the shuttle-spreeding some useful confusion—but Dr. Owen is thought to have been far from pleased by the leak, which has forced Mr. Ian Smith, the Rhodesian Prime Minister, to take a public stance on the proposals. Genuinely But this is the only hint of any friction between the British and American parties. Dr. Owen and Mr. Young are keen to quash rumours that they have not been getting on too well, and genuinely appear to admire each other. Mr. Young's low profile stems from an evident desire to create the impression that the so-called Anglo-American proposals are a British initiative, with U.S. support, not a joint venture. The argument seems to be that this is necessary because Rhodesia's Patriotic Front, which speaks for the guerrillas and gets its



Mr. Young... signs of frustration.

two men shook hands, but unsmilingly and with icy formality. The meeting itself appears to have been warmer. In black Africa, the task of the Anglo-American team cannot have been helped by two diplomatic ineptitudes shortly before their trip. Both concerned President Nyerere of Tanzania, a key man in any settlement initiative, who visited Washington at the start of this month and then passed briefly through London on his way back to Tanzania. He left Washington with the firm impression that President Carter was committed to the total disbandment of the Rhodesian Army—which does not form part of the Anglo-American plan—only to hear a different story in London. It is argued in some quarters that an enthusiastic President Carter had given an overwhelming impression of the scheme. Discussions Shortly afterwards, while in Montego Bay, Jamaica, President Nyerere received a message from Mr. Callaghan, the Prime Minister, inviting him to attend a session of talks at Chequers with Mr. Cyrus Vance, the U.S. Secretary of State, while he was passing through London. The President declined, African sources say, since he had already told the British Government that he would prefer to have his discussions at Heathrow: he was in effect only changing plans, and by that time already had several other pre-arranged engagements. Thereupon, Mr. Callaghan sent him what is described by many sources as a "very angry letter." The President, it is said, was shocked by the tone of the remarks.

Poland faces up to debt

BY ALEXANDAR LEB, IN WARSAW

POLAND WILL be forced to curtail Western imports of both investment and other goods unless it succeeds in selling more in the West to balance its trade and earn hard currency to service its debts. This was the recurring theme of numerous talks I had both in Warsaw and at the Poznan international fair last month. Polish sources decline to reveal the amount of foreign debts but Western sources put them at some \$10.5bn. Debt servicing amounts to at least a quarter of hard currency earnings, which is high by international standards. But Polish officials say there is no doubt that they will be repaid. However, their plans proved to be too ambitious. When the recession started in the West, Poland was slow to react, and it may also have made excessive use of the very favourable terms offered by Western countries who were desperate to export. New factories in Poland could not be finished on time as the investment front was too broad. Their products were not always of the quality desired, productivity was lower and costs higher than anticipated. The local market demanded—and got—many goods which were originally earmarked for export. But in spite of all this, the aim of expanding and modernising the industry has basically been achieved. All this explains why Poland now has to apply radical measures to bring its trade with the West into balance. Officials like the Vice-Minister for Foreign Trade Mr. Dlugosz, expect this to be achieved before the end of the current five-year plan, 1976-80, possibly by 1979. Results this year are not bad but neither are they very satisfactory. During the first five months exports increased 11.5 per cent against a planned target of 13.8 per cent, while imports were down 3.6 per cent, slightly less than the planned 5 per cent. But unfavourable terms of trade are a source of worry, and Polish leaders had good reason to embark upon this long-overdue modernisation programme. In the light of later develop-

Assumptions

BY ALEXANDAR LEB, IN WARSAW

The debts were incurred mostly during the second half of the 1973-75 five-year plan, under assumptions which later proved wrong. One of them was that prosperity in the West would continue for some years to come. Another was that plant would be constructed and put into production quickly. The lower wages in Poland and the fact that energy and raw materials were abundant and cheap were also expected to give Poland a competitive edge. Polish leaders had good reason to embark upon this long-overdue modernisation programme. In the light of later develop-

Patterns

BY ALEXANDAR LEB, IN WARSAW

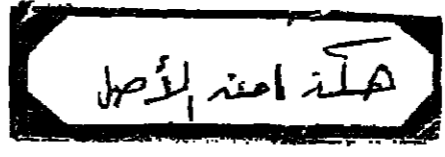
Import patterns will also change. While 55 per cent of imports during the first half of this decade were machines and equipment, this share is to fall to 45 per cent in the second half. Regional patterns will also change, trade with other Comecon countries and developing countries gaining ground. The new priorities are food (including agricultural machinery, fertilisers, etc.), consumer durables, including passenger cars, and housing. Consumption policy now consists in offering Poles more and

Hambros Limited

U.S. \$25,000,000 7 1/2% Bonds, 1982. Manufacturers and Traders Trust Company (Formerly First Empire Bank) New York hereby gives notice of a \$25,000,000 issue of 7 1/2% bonds. Principal Paying Agent September 1, 1977

Handwritten signature or mark.

LABOUR NEWS



Lucas men plan to stop import of motor parts

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT
STRIKING Lucas toolroom an award cannot be retrospective and is anyway outside the Government pay guidelines. Management has offered a £2-a-week increase, conditional on a future productivity deal involving greater flexibility in use of labour.

Healey restates pay pact warning

By Christian Tyler, Labour Staff
A RESTATEMENT of the Government's wages policy for the next 12 months, aimed mainly at trade union negotiators, comes from Mr. Denis Healey, Chancellor of the Exchequer, today.

Lucas maintains that as a major employer it must follow Government policy and ensure that any awards are self-financing. The company appears to be awaiting decisions at next week's TUC conference to see if it will be allowed the flexibility to improve its offer.

His reminder that the majority of wage settlements will need to be well within single figures... This 10 per cent. figure applies to the increases in total earnings over the economy as a whole. It is not a level for wage settlements.

Cowley stewards oppose company-wide deal

BY OUR MIDLANDS CORRESPONDENT
Leyland Cars shop stewards representing more than 10,000 workers are trying to stymie opposition to the company's proposed package of industrial relations reforms.

Clothing pay up by 10%

By Our Labour Staff
ABOUT 70,000 workers in the clothing industry are to receive pay rises resulting in an average 10 per cent. increase in earnings from September 22.

Managers urged to check inflationary claims

MANAGERS IN British industry have a "clear responsibility" to pay demands from unions level which prevents inflation, the British Institute of Management says today.

Mr. Henry Marking takes up Tourist Authority post

Henry Marking, previously chairman of British Airways, has taken over the chairmanship of the BRITISH TOURIST AUTHORITY today.

POINTMENTS

Thomas N. Risk and Mr. W. Walker have been elected Governor and Deputy Governor of the BRITISH LINEN at an extraordinary meeting of the Bank's proprietors.

SIEMENS

Information for Siemens Shareholders

Growth in International Business

Siemens business continued to expand steadily during the period under review. This was due largely to high growth rates affecting international business, particularly in the export sector.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change*. Rows include Sales, Domestic business, International business, Export sales of German Siemens Companies.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change*. Rows include Orders received, Domestic business, International business, Foreign orders of German Siemens Companies, In millions of £, Order backlog.

Siemens worldwide sales were £ 4,180 million, 8% higher than a year ago. Here, too, international sales, which rose 11% to £ 2,100 million, outpaced domestic sales.

Table with 4 columns: In thousands, 30-9-76, 30-6-77, Change*. Rows include Employees, Domestic operations, International operations.

During the first nine months of the current financial year, Siemens recorded £ 4,820 million in new orders, a 13% increase over the same period a year ago.

However, sales growth was still not substantial enough to appreciably improve plant capacity utilization.

Table with 4 columns: In millions of £, 1-10-75 to 30-6-76, 1-10-76 to 30-6-77, Change*. Rows include Employment cost, Capital expenditures and investments, Initial consolidation OSRAM/KWU/TU, Fixed assets, Investments, Inventories, Net income, % of sales.

Some 3,500 staff employed by Barclays Bank International are to receive a Stage Two settlement of between £2.50 and £4 a week back-dated to July 1.

Although the deal is due to last 12 months, negotiations will re-open if the Government's pay guidelines and 12-month rule is generally breached.



New System for Growth Market

With the new Siemens Text System 580, a written text appears on a flicker-free display screen where it can be corrected and then stored or immediately printed out.

Capital expenditures for fixed assets during the report period attained £ 187 million. When adjusted for the inclusion of OSRAM, KWU, and TU, this is essentially the same volume as last year (£ 168 million).

At £ 93 million, net income was higher in absolute terms than for the same period a year ago (£ 84 million).

On 10th July 1977, Siemens AG concluded an agreement with Allis-Chalmers Corporation, Milwaukee, for the formation of a jointly-owned company, Siemens-Allis, Inc., Milwaukee.

*All percentage changes based on comparable figures which take into account the inclusion in the financial statements of OSRAM (as of 1/1/76) and Kraftwerk Union and Transformator Union (as of 1/1/77).

Siemens AG In Great Britain: Siemens Ltd.

OVERSEAS NEWS

Pressure on instant coffee

BY OUR FOREIGN STAFF

PRESSURE is growing on the military government, N. CONSUMER AFFAIRS CORRESPONDENT

Zia ul Haq, head of the military government, N. CONSUMER AFFAIRS CORRESPONDENT

155p for a four-ounce jar, and the bulk of this increase will be reflected in the shops. But the impact of these increases will be reduced by up to 8p a jar in those supermarkets which have not been promoting coffee heavily and by rather more in small shops.

However, retailers hope that the cost price will soon start falling to reflect lower world prices. Yesterday, Mr. Wallace Monaghan, chairman of the Retail Consortium's Food Policy Committee, said that these reductions could come into effect in the shops by October.

Following publication in July of the Price Commission's report on coffee, which showed that retailers' cash margins had increased considerably as the price had gone up, Mr. Hattersley said that he wanted to impose a statutory cash margin ceiling of 8p a jar on the retail trade.

The Retail Consortium, fearful of the implications of such a precedent, argued that cash margin controls were impractical. Instead, it offered to cooperate voluntarily in control on gross percentage margins.

Under the scheme to come into effect on September 26, retailers have agreed to limit their margins to 5 per cent on three best selling lines of instant coffee. For small shops with a turnover of under £100,000, the limit will be 7 1/2 per cent.

Most supermarkets are already selling at least one brand of instant coffee at a special price which gives them a margin of 5 per cent, or less. Their normal margins on coffee are nearer 10 per cent, though some of the discount groups are selling all their coffee at margins of less than 5 per cent. In general, however, the agreement will mean reduced coffee margins for most supermarkets.

The 7 1/2 per cent limit on small retailers' margins will probably lead to a bigger reduction in profits. Unlike the supermarkets, many small shops do not always have a brand of coffee on promotion. When they do, they usually sell it at a margin of around 10 per cent.

Mr. Hattersley said yesterday that the agreement would reassure consumers that retailers were not making a "killing" out of rising coffee prices.

ONE IN ten resolutions for the Labour Party Conference this year calls for all Labour MPs to go through a re-adoption procedure before every General Election. This follows an organised Left-wing campaign among activists.

Attempts to change the party's constitution in order to force MPs to become more accountable to their local supporters have been increasingly vociferous in recent years, and the indications are that the pressures will increase sharply at this year's conference at Brighton from October 3 to 7.

According to the Campaign for Labour Party Democracy, a Left-wing pressure group, more than 60 constituency Labour Parties and affiliated organisations have sent resolutions urging that all Labour MPs submit themselves to full re-election procedures in every Parliament.

This is claimed to be possibly the largest number on a single subject submitted to annual conferences.

It outnumbered by three to one resolutions on prices, the next largest block. The strength of the campaign was not realised before, as the resolutions were not published in a preliminary conference in London in July because they dealt with constitutional matters.

Whether the issue is debated will be decided on the eve of conference by the Arrangements Committee. Previous attempts to force a major constitutional debate have failed, partly because the party leadership and most MPs are firmly opposed to the idea.

At present MPs are re-elected almost automatically as General Election candidates, and there is much adverse publicity when a local party seeks to change its candidate.

The Campaign for Labour Party Democracy, in its newsletter, published yesterday, the argument that no decision should be taken this year because of the need for Labour's national executive committee to consult all sections of the party.

It says that those opposed to re-election would be unlikely to welcome delay because the possibility of a General Election in autumn 1978 could prevent a party conference next year.

This would mean that re-election proposals could not be submitted until 1978.

A Fabian Group pamphlet on the Labour Party published today recommends that local parties should be able to choose whether there should be a re-adoption procedure in each Parliament.

But the voting in this case would be by all the party membership in the constituency.

Left in drive to screen MPs

By Richard Evans, Lobby Editor

ONE IN ten resolutions for the Labour Party Conference this year calls for all Labour MPs to go through a re-adoption procedure before every General Election. This follows an organised Left-wing campaign among activists.

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It says that those opposed to re-election would be unlikely to welcome delay because the possibility of a General Election in autumn 1978 could prevent a party conference next year.

This would mean that re-election proposals could not be submitted until 1978.

A Fabian Group pamphlet on the Labour Party published today recommends that local parties should be able to choose whether there should be a re-adoption procedure in each Parliament.

But the voting in this case would be by all the party membership in the constituency.

Texaco to spend £250m on Tartan Field

BY RAY DAFTER, ENERGY CORRESPONDENT

TEXACO is to spend about £250m. on developing its Tartan Field in the North Sea.

The New York-based oil group announced yesterday that it was going ahead with a plan to produce oil and gas from Tartan by late 1979 or early 1980.

The scheme has yet to be sanctioned by the Department of Energy but there is little doubt that approval will be given. The field is needed to help Britain maintain self-sufficiency in the 1980s.

It is also hoped that the production equipment will give a boost to the U.K. offshore supplies industry, particularly platform builders, which are badly in need of new orders.

Output from Tartan is expected to last for 12 years. Peak production should be about 75,000 barrels a day of oil and 12,000 barrels a day of natural gas liquids.

In addition, it will yield an undisclosed amount of natural gas which will be fed into British Gas Corporation's network via the Frigg Field's gas pipeline.

Sole licensee on the Tartan Block 15/16, has not published reserve estimates, but according to industry reports the field could contain between 250m. and 350m. barrels.

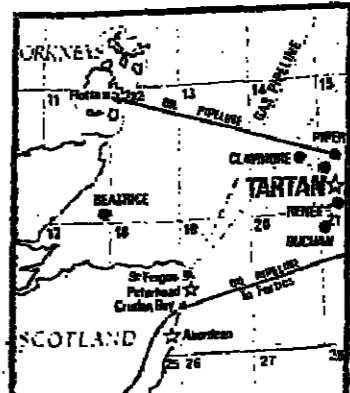
This makes Tartan a medium-sized field in North Sea terms. The output will be less than one-fifth of British Petroleum's Forties Field, for instance.

The oil industry points out that most of the known fields which have yet to be developed will be in the small to medium-size range.

It is significant that since the first wave of North Sea development the only fields to receive the go-ahead from companies have been Tartan, Continental Oil's Murchison Field (with about 300m. to 380m. barrels of reserves) and BP's Buchan Field (115m. to 250m. barrels of estimated recoverable reserves).

Texaco said that further drilling would be needed to delineate the field accurately. The steel production platform will nodate up to 30 wells.

The oil group has still to complete the platform which, when complete, will weigh some 3,000 tonnes. Four U.K. yards are bidding for the order: High Long; Laing Offshore; McDermott's.



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Competition

They are up against stiff competition because Texaco has received tenders from Continental yards. Texaco pointed out that so far ordered £20m-worth of equipment for Tartan, 95 per cent of it with U.K. companies.

The final cost of the programme will largely depend on the type of transmission system Texaco chooses. It could build a new pipeline or it may decide to share pipeline already built by Occidental's Piper and Clay Fields in the Firth of Clyde.

Alternatively Texaco could decide to load the oil into tankers and ship the crude to the South Wales.

It is planned that the form, which will be in place within the next two months, will be installed in the summer of 1979. This should allow drilling to begin in late 1980.

Wedgwood switches to butane to avoid higher gas prices

BY DAVID FREED, INDUSTRIAL STAFF

WEDGWOOD, the Staffordshire-based ceramics group, is making arrangements to switch to butane gas because of price increases in supplies from British Gas.

A butane storage plant is being installed at the group's main factory at Barlaston, Stoke-on-Trent, at a cost of £90,000. It will be ready to start operating at the end of the month.

Sir Arthur Bryan, chairman of Wedgwood, said that the move had been made because of the cynical disregard of British Gas for its customers and its abuse of its monopoly position.

The price of Wedgwood's gas supplies has increased some 600 per cent over the last five years from 2.4p a therm to about 1.4p.

Wedgwood uses 14m. therms a year, costing nearly £2m. mainly for firing and glazing its products. The group estimates that it could make a 10-20 per cent saving by switching to butane, which is supplied by the oil companies.

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Natural gas conversion scheme ends this month

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH GAS expects to complete its £1bn. natural gas conversion programme later this month.

The 10-year exercise should come to an end in the week beginning September 19 when the last Scottish consumers will have appliances altered for North Sea gas.

By then, 13m. domestic customers, 400,000 commercial gas users and 5,000 industrial consumers will have had 35m. appliances converted from town (natural) gas.

Some £600m. has been spent on conversion and a further £400m. has gone to the premature obsolescence of oil-based gas-making plants.

Most town gas plants have been closed.

Sir Denis Rooke, chairman of the Gas Corporation, will mark the ending of the programme, in the Edinburgh area, with a special visit and lunch in Scotland today.

A series of one-day seminars to encourage the more efficient use of energy in the manufacturing industry is to be arranged, starting this autumn. Organised by the Department of Industry, through its energy unit and research associations, the seminars will cover specific industrial sectors.

The first four events will be concerned with non-ferrous metals (Birmingham, October 18); pottery (Stoke-on-Trent, November 9); paper-based industries (Manchester, November 22); and heavy clay and refractories (Stoke-on-Trent, December 7).

Bulk carrier launched

THE BULK carrier Birling, 3,750 tons, was launched by Clelands Shipbuilding Company, Wallsend, last night for Stephenson Clarke Shipping, of London.

She is the first of two similar vessels being built at the yard for Stephenson Clarke. Last month, the company also placed a £7m. order with Clelands for two 6,500-ton bulk carriers for delivery in autumn next year and early 1979.

NEWS ANALYSIS—THE U.S. AND ULSTER

Chicken and egg problem

BY GILES MERRITT

UNWITTINGLY, no doubt, President Carter put his finger on Ulster's chicken and egg problem when, in his statement, he pledged, increased U.S. investment in the province, as soon as a peaceful settlement is reached.

It is widely believed in Northern Ireland that the quickest path to peace is economic recovery, and in the next few weeks the Carter administration and American industry generally is certain to be bombarded with arguments in favour of immediate investment.

Senator Edward Kennedy has described as a "Marshall-type" programme of assistance.

Early next month, Mr. Roy Mason, Northern Ireland Secretary, is to visit the U.S. to start a Northern investment drive. And yesterday Mr. John Hume, deputy leader of the mainly Catholic Social Democratic and Labour Party, called for a mission to Washington by political representatives of both the province's communities to explain Ulster's economic position and demonstrate their good faith.

created every year, in spite of unstinting Government subsidies, has dropped from 7,000 in 1971 to only 2,000 last year.

Unless there is a massive injection of cash aid into the economy soon, possibly as much as £1bn., the jobbers could rise to 18 per cent by 1980, a recent report prepared for the British Government has forecast.

Economic ruin

Since taking over at the Northern Ireland office last September, Mr. Mason has recognised that economic ruin now poses as much a threat to Ulster's chances of long-term stability as political uncertainty.

Broadly, he has accepted the argument long put forward by the Confederation of British Industry that Westminster had been putting the political cart before the economic horse.

Mr. Mason has defended Northern Ireland against the worst effects of U.K. public spending cuts, and at the beginning of August he unveiled an economic package specifically aimed at helping solve some of the most pressing problems.

Although his measures were labelled a "£1bn. deal," they, in fact, added up to an investment incentives plan rather than a direct government action programme.

First move

His first move was to wipe out the province's electricity service debt of £350m. so that it can bring its power charges closer to those of mainland Britain. They are at present 30 per cent, or so higher, and a considerable disincentive to industrial investors.

At the same time, Mr. Mason increased the proportion of capital costs the Government will pay, so that in an unemployment "black spot" where about 30 per cent are jobless, new industry will pay half the total cost of plant and premises.

From this year to 1983 a much as £700m is to be set aside by

Labour cut

Ford is spending £10m. on re-equipping its carburettor plant for its Fiesta model. Gallaher £2m. on streamlining production. Berkshire £2.5m. on textile machinery and Hughes Toul £4m. on expansion.

The snag is that most of these projects, even if they imply renewed confidence in Ulster, do not mean more jobs. In the case of Gallaher they may even result in a labour cut-back.

One company, Du Pont, has coincidentally adopted much the same line as the White House. The U.S. chemicals giant has indicated that a £5m. addition to its £60m. Maydown synthetic plant near Londonderry could be contingent on more peaceful conditions in the area.

In early February Mr. Jeffrey Aztec, general manager of the Du Pont operation in Ulster, was shot dead by a Provisional IRA gunman.

During the 1960s, when Ulster's economy was expanding half as fast again as Britain's, American investment was significant but it has never been lavish. Since the war U.S. companies have sunk a total of about £150m. in Ulster, a good deal less than half the figure in investments received by the Irish Republic.

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U.K. space candidates announced

By Michael Donne, Aerospace Correspondent

FIVE U.K. scientists have been nominated for the first European Spacelab manned earth orbital flight in 1980.

The Spacelab is a manned laboratory which will be Europe's contribution to the U.S. Shuttle system for putting manned and unmanned payloads into orbit round the earth in the 1980s and beyond, replacing the existing system of boosting such payloads directly into orbit by rocket.

The European Space Agency, the government-established body responsible for European space efforts, asked each of its 12 member countries to provide five candidates, from whom the eventual astronauts will be chosen.

The U.K. list announced yesterday comprises Mr. Geoffrey Frimlin, 29, a nuclear physicist; Mr. William Grutt, 27, a metallurgist; Mr. Arthur Ince, 31, a chemist; Mr. Keith Mason, 26, an astronomer; and Mr. Michael Rycroft, 39, a space research worker. They were selected from 600 applicants.

They will join the other candidates from the member countries, for further selection tests, which are due to be completed by the end of this year.

Half will undergo their tests in Germany and the remainder at the RAF's Institute of Aviation Medicine at Farnborough, Hampshire.

Men and Matters, Page 16

Full nuclear reactors probe if State wants to go ahead

BY IAN BREACH, IN WHITEHAVEN

AFTER SEVERAL months of uncertainty, it was announced yesterday that there would be a full wide-ranging inquiry if the Government wanted to go ahead with a programme of commercial power stations using fast-breeder reactors.

Mr. Justice Parker, the Windscale inquiry chairman, said he had received a reply to his request, made three weeks ago, for a clarifying statement from the Department of the Environment.

Mr. Peter Shore, the Environment Secretary, said in the reply: "Any decision to build a fast-breeder reactor would be subject to a planning inquiry."

"The precise procedure which would be adopted for CFR-1 (the first commercial fast reactor, a prototype of which is now operating at Douvres) has not been settled, but the inquiry would be an inquiry as all parties to the Windscale inquiry have assumed since a Parliamentary answer last spring.

Having on several occasions deferred evidence on that assumption, the judge had told Mr. John Given, an Environment Department Under-Secretary, that he wanted an early answer on whether there would be such an inquiry.

If there was not to be, he said, he would have to reopen certain aspects of the present hearings. If a planning inquiry were to concern itself with matters of general principle, the Department of Energy would be the main agency involved, whereas it would be the Environment Department's responsibility to deal with a planning application for a specific commercial fast-reactor site and related services.

The next step would be discussions in the Cabinet on whether the Government wished to proceed with the reactors' development. If it did, then Mr. Shore and Mr. Anthony Wedgwood Benn, the Energy Secretary, would be required to work out a mechanism for public consultation.

Several objectors at the inquiry said later that they were delighted with the announcement.

Mr. Gerald Leach, an energy specialist, said on behalf of Friends of the Earth that he believed energy conservation techniques could preclude the need for additional nuclear power, and thus for expanded reprocessing facilities.

Lord Silson, QC, counsel for the applicants, British Nuclear Fuels, cross-examined, said that even were all Mr. Leach's energy conservation measures to be adopted, it did not follow that the savings should be in the nuclear power sector.

"Even if we were to accept everything you say, there is no reason why if the thermal oxide reprocessing plant should not be built. The country would still need to do something with the spent fuel arising from present and future thermal reactors."

A total of 23 incidents in nuclear installations was reported to the Secretary for Energy in the three months April-June, says the Health and Safety Executive. Only one was considered serious enough to warrant a statement in Parliament.

This was an experiment with plutonium compounds at Windscale in April. The Health and Safety Executive said that the pressure forced the lid of a plastic waste container. Some plutonium activity was released into an unoccupied laboratory.

British Nuclear Fuels has instituted an inquiry into this, while work in the laboratory is suspended.

WINDSCALE INQUIRY

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PRIMROSE INDUSTRIAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Directors: D. A. Lurie (Executive Chairman), D. J. Gevisser (Deputy Chairman and Managing Director), Alternates: L. R. Fullerton, T. L. Richards

Announcement of Profits and Dividends for the year ended 30th June, 1977

The Directors report the estimated and unaudited results for the year ended 30th June 1977 as follows:

Table with 3 columns: Item, 1977 R'000, 1976 R'000, Percentage change. Rows include Group and associates turnover, Profit after normal tax, Deferred tax, Earnings per share, Dividends declared, etc.

Note: Deferred tax has been shown but as it is not expected to be payable in the foreseeable future, it has not been deducted in the calculation of earnings per share.

COMMENT

The profit of R2.03m should be viewed against the background of a decline in the building industry to the worst level in many years. July and August have shown no signs of improvement.

For these reasons the Board has reluctantly decided to reduce the final dividend to 2.5 cents per Ordinary Share, despite the announcement dated 13th May 1977 which indicated the intention to declare a final dividend of 8 cents per share.

The factors responsible for the reduction in profit and dividend will be given in detail in the Chairman's statement to be included in the Annual Report which will be mailed to shareholders towards the end of September. They are, in summary, that after the May announcement the Group was faced with a combination of unexpected events which had the effect of reducing profits from approximately R2.5m, estimated by the Board in May to the figure reported here—a net reduction of about R600,000. This represents a reduction in earnings of approximately 5.5 cents per ordinary share.

The principal items were an unusually high level of bad debts which included the failure of two major customers, a sudden further deterioration in the market, substantial additional losses in the Western Province because of exceptionally bad weather, and a reduction in the value of finished product stocks because of price wars. In addition, the need again to cut production levels gave rise to retrenchment costs at four of our plants. Finally, the collapse in May of the roof of our main production kiln at Driefontein led to a substantial irrecoverable loss of profits and repair costs.

Whilst the estimates drawn in May were considered to be conservative, they were insufficient to cover all of the above factors. The Board's primary motivation is to preserve a sound financial structure and for this reason it is thought to be both prudent and realistic to restrict the total dividend for the year to 10.5 cents.

BRITISH ASSOCIATION AT BIRMINGHAM

Technology 'scapegoat for world's problems'

BY DAVID FISHLICK, SCIENCE EDITOR

SCIENCE AND technology are being made scapegoats for every-thing that is going wrong with the world... Sir Andrew Huxley, the Nobel prize-winning physiologist, told the British Association last night...

theories were accused of distort-ing their results through political prejudice, he said... Sir Andrew, in an address entitled "Evidence, clues and motive in science," which drew an elegant analogy with the work of a detective, was sternly critical of such attitudes towards, and within, science.

principles "which deserve to be used only as clues for suggest-ing further inquiry... His district council of Sedgemoor in Somerset is an amalgamation of three former rural districts and one borough council...

"MULTI-DISCIPLINARY is what large here," said Mr. Timothy Sheppard, the council's chief executive... "We recognise that the corporate approach works and we are very pleased at the way different departments have shown they can work together."

opportunities present that harass youth employment officers in less successful areas... Somerset is still growing in population, and Bridgwater is growing at the fastest rate.

This will bring forward the building of the bridge... The benefit would be great. It would provide a new, purpose-built access facility to Bridgwater that would allow an appreciable measure of industrial and population growth.

trying to create a place fit to invest in... At Tyne and Wear, both planners and architects emphasised that the creation of an attractive environment was being given special concern.

U.K. fire damage down £2m. to £18m. in July

BY ERIC SHORT

THE ESTIMATED COST of fire damage in Britain in July fell to £18m. on the month to £18m. according to figures issued yesterday by the British Insurance Association... There were four fires during July where damage in each case exceeded £500,000.

Most of the contentious issues society faced were so complex and unpredictable that no one scientist or layman could foresee with any certainty the long-term outcome of any particular course of action... The results of scientific investigations were one "but only one" of many ingredients that should enter any decision.

NORTON-VILLIERS-TRIUMPH rump of the once-successful British motor cycle industry... Norton Villiers Triumph is extending the range into the motor cycle field.

Success continues to spread... Sedgemoor is a community that, by and large, wishes to remain as it is... The alternative is stagnation that would lead to the same job

Fashionwear concern expands... THE DEPARTMENT of Industry has announced that Mikita Fashion is to occupy an advanced factory of about 900 square metres, built in English Industrial Estates Corporation for the Department in Blackpool.

Driving test waiting time cut to average 11½ weeks... THE WAITING time for driving tests—an average of 11½ weeks—has dropped by more than a month since August last year, according to a survey by the RAC.

Finance house base rate cut to 7½%... FINANCE HOUSE base rate will be 7½ per cent., as from today, a cut of one half per cent. on the level of the last two months, the Finance Houses Association announced yesterday.

Wales needs more jobs - Plaid Cymru

CALL for a Work for Wales campaign to combat unemployment was made today by Mr. Dafydd Iwan, Plaid Cymru president... He has proposed in letters to the Liberal and Union leaders, the setting up of an all-party body to act as a pressure group to create more jobs in Wales.

Crime detection reduced by spending cuts

SPENDING CUTS have hit the police force in Norfolk, where the crime rate has increased but the number of criminals being caught has dropped... The Chief Constable, Mr. Gordon Taylor, says in a report to the county's police committee that any further reductions would be imprudent and unrealistic.

To Future Generations, Security



Social welfare is a subject of serious consideration in most modern societies... Daiwa Bank is not unique in accepting this responsibility, but Daiwa is unique in making acceptance of this role in society an integral part of their banking service.

fully integrated banking service DAIWA BANK... Head Office: Osaka, Japan... London Branch: Winchester House, 77 London Wall, London EC2N 1BD

NVT planning to produce lightweight motorcycles

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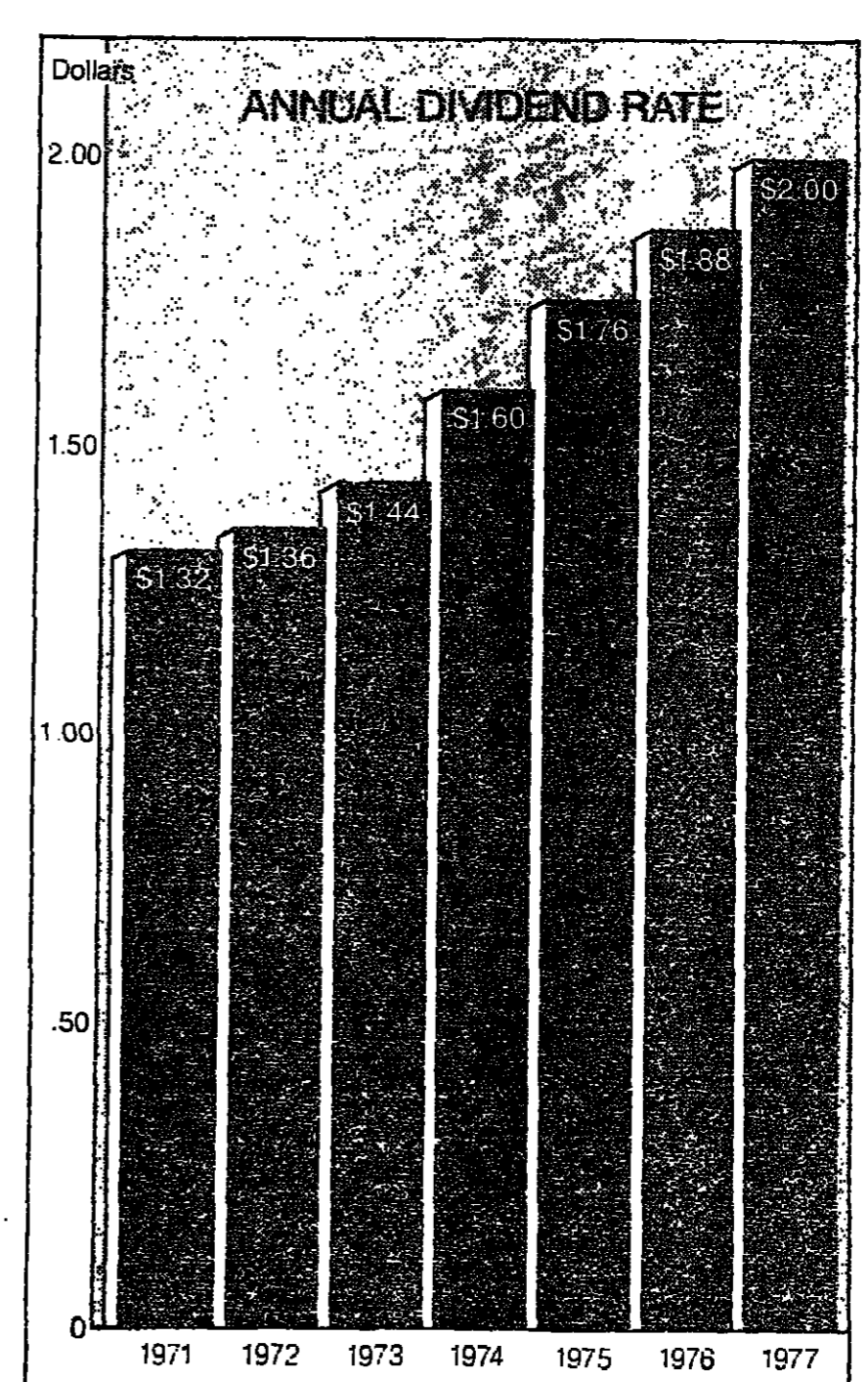
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TENNECO'S GROWTH 1971-1977

Tenneco sets \$2.00 dividend rate; sixth consecutive annual increase.

Tenneco has again increased its common stock annual dividend rate. This time, from \$1.88 to \$2.00. This latest rise brings the total increase in the dividend rate over the 1971-1977 period to 52%.



These dividend increases have followed naturally from Tenneco's earnings performance. During the 1971-1976 period, Tenneco's fully diluted earnings per share rose from \$1.92 to \$3.92, an increase of 104%.

Tenneco logo and list of subsidiaries: TENNECO CHEMICALS, TENNESSEE GAS TRANSMISSION, TENNECO OIL, PACKAGING CORP OF AMERICA, TENNECO WEST, JICASE, TENNECO AUTOMOTIVE PARTS, NEWPORT NEWS SHIPBUILDING.

Copper

Of major base metals copper has easily the widest range of industrial applications, and is also an important primary export for many developing countries. For these reasons the long-term trend of market supplies and prices is a matter of some concern throughout the world.

In most need of economic help, workers that started when their but will also inevitably result in a shortage of a metal vital to industry in the developed world. The U.S. and Russia have a double interest in this since they are also major producers of copper, while Canada and Australia are leading exporters.

For the moment prospects do not look good for any major recovery in copper prices even to match the steadily increasing cost of production levels around the world, let alone to supply the huge sums required for investment in developing new production and expanding existing output.

It is estimated that world stocks of copper are now well above 2m. tonnes, far in excess of the normal working stocks required. To make matters worse, these record stocks are likely to rise rather than decline unless consumption picks up sufficiently to match the increases in production capacity planned several years ago in times of shortage but only now just coming on stream.

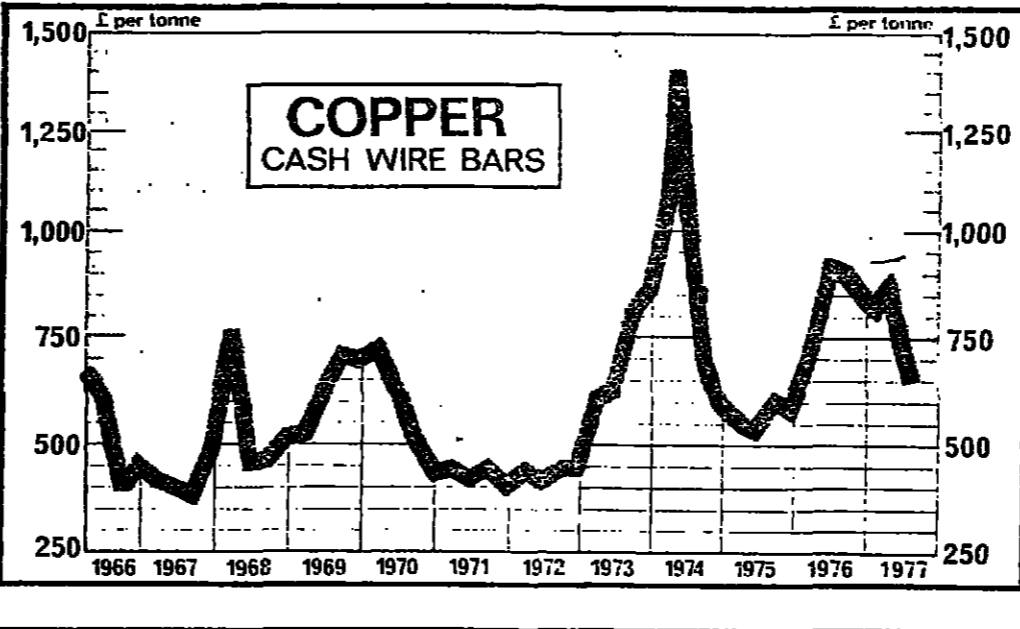
Some producers have been forced out of business already by the losses sustained from producing too long at below cost of production levels. Others are likely to go too, and in North America particularly there have been some sharp cutbacks in output in an attempt to bring supply more into line with demand. But many of the developing countries, dependent on copper exports, simply cannot afford to cut back production in view of the loss of revenue and jobs in the high unemployment areas involved.

Waiting

Their only hope is to keep earnings up, if possible, by increasing output to offset the lower prices received and waiting until the situation improves as a result either of consumption rising, or of some setback in production elsewhere—or, finally, of some international agreement to bring prices back up to more reasonable levels. At present consumption prospects do not look too bright. The economic recovery promised by President Carter among others has failed to materialise, which means that the big surge in demand needed to reduce surplus copper stocks is still far off. The low price of copper compared with its main substitutes, especially aluminium, means that it is very competitive and should win rather than lose markets.

But the history of surpluses followed by shortages, and wildly fluctuating prices, makes many consumers chary of switching to copper or relying on it too much. In addition, the electrical industry worldwide appears to be going through a period of low investment, as countries consider ways of reducing rather than increasing their energy requirements following the oil crisis. A sharp rise in demand earlier this year in anticipation of a possible U.S. copper workers' strike, and prospects of an industrial recovery, has faded out with consumers restoring stocks again.

On the supply side, the main production setback has now been almost removed with the relatively quick settlement of the strikes by U.S. copper



WESTERN WORLD REFINED COPPER (000 tonnes)

Table with 2 columns: Year (1970-1977) and Actual/Forecast values for World stocks start year, Refined production, Refined consumption, World stock year-end, Ratio stocks to consumption (%), and Month's stock.

Source: Copper Trends 1970-78, Amalgamated Metal Trading.

claim the proposed buffer stock mechanism would be impracticable and too expensive, worsening rather than improving the situation. But it is recognised, especially by the Carter Administration, that something will have to be done about commodity stabilisation, for which copper is a leading candidate. The painfully slow progress in the copper agreement negotiations highlights the difficulties and differences involved, but there seems little doubt some kind of compromise will emerge eventually. The forthcoming announcement of the future U.S. stockpile policy, under review by the Carter Administration, may give some clue since one suggestion is that the U.S. may decide to build up its depleted copper stockpile while prices remain at such low levels.

Meanwhile, in the absence of any unforeseen developments, copper prices appear to be destined to remain in the doldrums for a time. The upsurge in the London stock market and the former tone of sterling have reportedly persuaded some disillusioned long-term investors to liquidate their holdings and this has added to the downward pressure on the London Metal Exchange copper market, already burdened with record stocks of over 600,000 tonnes and very little consumer buying interest.

But it is difficult to see how prices can fall much lower bearing in mind that few if any producers are able to produce copper without loss at the present time, and that it is estimated a rise to over \$1 a lb. will be needed to stimulate investment in new capacity in even the 'safest' political areas. In five years, or even fewer, the question may well be how high can copper prices rise.

World Copper Statistics Since 1950

This report is a comprehensive statistical compendium of the statistics on a country basis world wide relating to copper for the period 1950 through to 1976. It draws together in one volume the unique collection of copper statistics assembled by the World Bureau of Metal Statistics, over the last quarter of a century, and gives detailed figures on copper production and consumption from mine through to end-use by markets.

The data displayed in 25 tables is accompanied by a useful commentary, which explains its origin and relevancy in the context of the study as a whole.

"World Copper Statistics Since 1950" is an invaluable guide to the long term trends in the copper world, and will be a useful source book for members of the copper industry itself, commodity analysts, econometric model builders, and anyone wishing to understand the facts underlying the history of the copper industry over the last quarter of a century.

This volume, price £400, is available from the World Bureau of Metal Statistics, Crest House, 7 Highfield Road, Edgbaston, Birmingham B15 3ED. Tel: 021-454 7766. Telex: 339161.

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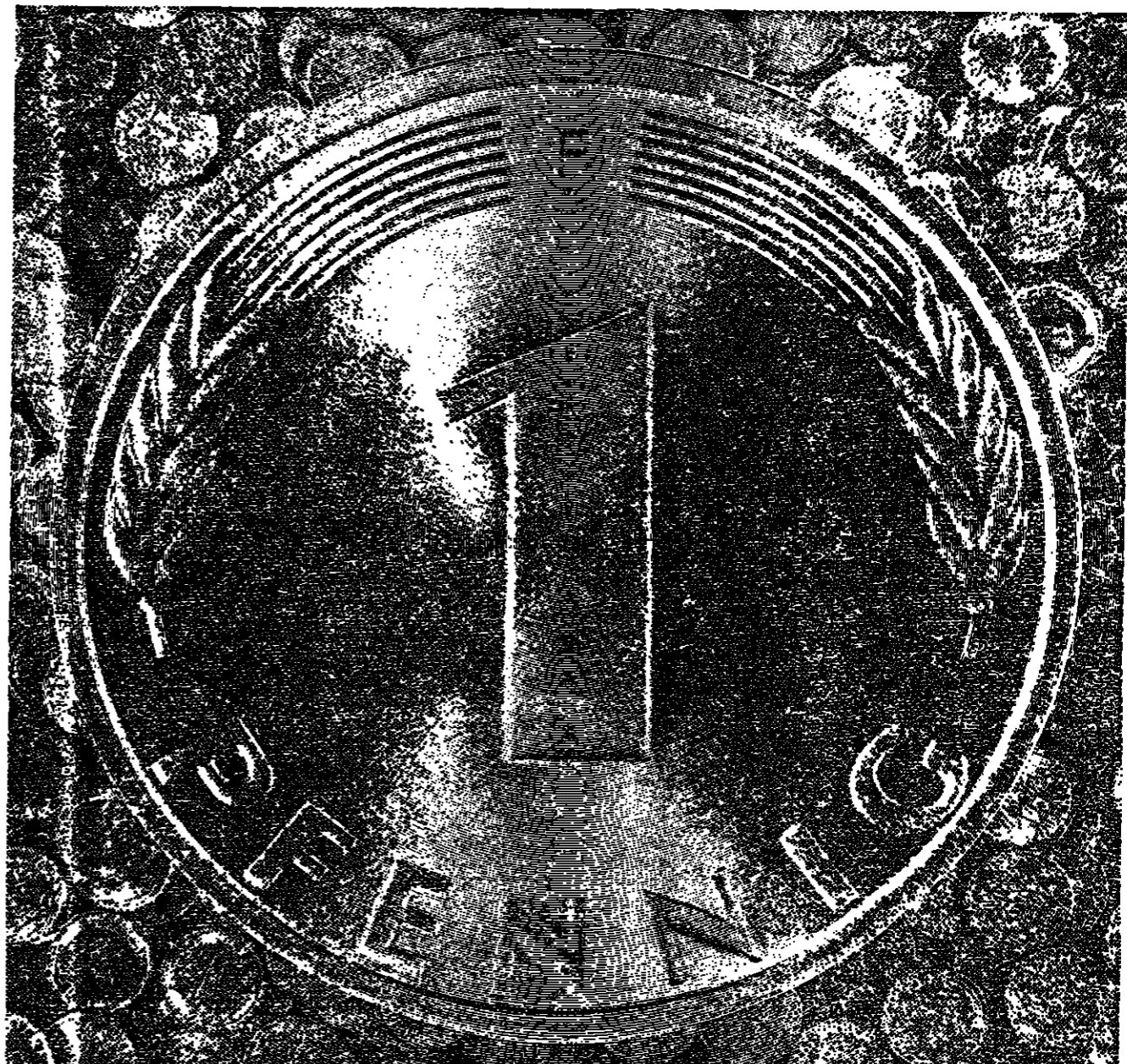
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COPPER II

Challenge to pricing system

THE WILD fluctuations in the price of copper on the London Metal Exchange (LME) are under constant attack—by producers when the market is low and by consumers when it is high. But with growing pressure for commodity price stabilisation now coming from both producing and consuming interests, the alternatives to the present system of basing prices on the Metal Exchange daily quotations are being examined with even greater care, especially by the experts involved in the negotiations on the formation of an international copper agreement.

Defenders of the LME as a pricing medium have one powerful argument. While admitting that the system has many faults, and makes forward planning by consumers and producers a nightmare, it is claimed to be the only practical system

managed to establish and maintain a producer price system. This is mainly because the industry is far more integrated, with mine producers not only owning the smelting and refining capacity, but also having major interests in fabrication—the consumers who buy both primary and secondary copper.

Pressure

But even with this strong position, the U.S. producer prices has come under increasing pressure from the merchant or "free market" metal, based on the LME or New York copper market prices, which is particularly competitive in times of surpluses. The result is that producers find themselves at a distinct competitive disadvantage when there is too much copper around, being forced to adjust their prices constantly to remain competitive with "free market" supplies.

of their company and for the industry as a whole. The examples of nickel and zinc, where producer prices were kept too high for too long encouraging substitution by other materials, must be of concern to advocates of a world-wide producer price for copper. Even the tightly integrated aluminium industry has suffered heavy losses as a result of price inflexibility leading producers with huge surplus stocks they had to finance themselves before the market turned in their favour again.

A major role of the LME has been not only to adjust copper prices to a realistic level reflecting the supply-demand position, but also to attract huge sums of money from outside the industry to finance the producers' surplus stocks. It is estimated that without the long-term "investors"—basically speculators—who have bought up copper in anticipation of a sharp price in the years ahead—current prices could well have been at least £200 a tonne lower.

Influences

At the same time it is obviously unsatisfactory for both producers and consumers to have copper prices subject to excessive outside unpredictable influences that are not in tune with the long-term interests of the industry.

Although the system has worked for 100 years or so, times change and there seems little doubt that the copper market will also have to adapt its attitudes in line with changed circumstances. Pressure for price stabilisation from raw material producers encouraged by the example of OPEC, means that it may be impossible to retain the full fledged free market for copper in the future.

Many people doubt whether the current negotiations for an international copper agreement linked with the Unctad commodity buffer stock proposals will be successful in view of the practical differences involved. But it seems inevitable that some compromise will be reached that may result in radical changes in the copper pricing system, possibly relegating the London Metal Exchange to a minor role.

Various methods have been suggested, and mainly relying on one side or another, some sort of consensus appears to be emerging on a range similar to the "soft" ceiling in the Tin Agreement—and keeping market prices in the range with the internationally held stockpiles as possibly export quotas which would hit at the root of the problem by introducing some form of control over production. Any arrangement, if eventually agreed, will have to be no looser than the Tin Agreement in view of the greater diversity of producers and consumers.

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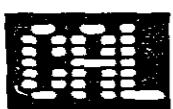
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Offshore commodity trusts

THE COMMODITY unit trusts honeymoon with copper is over. It began when the trusts were launched in the winter of 1975-76. Copper was the obvious choice for a central position in their portfolios as the most widely traded commodity, a metal rather than a soft commodity which could be tucked away as a long-term investment and something the brokers recommended. Some of the managers came from organisations with a stock market background and perhaps they regarded copper as the blue chip of commodities, the Beecham of the LME. Not any more.

There are three main groups of offshore commodity trusts. The one with most funds under management can be styled the "holding" funds: that is to say they tend to buy physical metal and just hold it, although sometimes varying the proportions of different metals. They include, in order of size, Metals Trust (run by S. G. Warburg), Old Court Commodity (Rothschilds) and

Save and Prosper Commodity. These are the funds which probably have enjoyed their association with copper least. Old Court may be an exception because its own rules do not allow it to invest more than 10 per cent of the fund in any one commodity. But Warburg bought with both hands at the outset and 80 per cent of the fund was in copper. Of course it did very well for them in the first place and some was sold at a profit. But even after the collapse of the copper price since March, the fund is still 30 per cent invested in copper.

Save and Prosper is not overly fond of the red metal now either. It echoes the sentiments of Warburg, "we did not expect it to come down as far as it has." And now it has come down so far, most of these trusts are unwilling to sell. Each of them has its own favourite statistic to illustrate how cheap copper is now; in dollar terms it is cheaper than at the nadir in 1975 and in terms of the Deutsche-mark it

is said to be at its cheapest for 15 years.

The second group of trusts can be called the "dealing" trusts. They are continually moving in and out, buying and selling options and futures. The most successful of them has been the best performing commodity trust of all, the Commodities and Options Trust (run by Commodity Analysis). It refers to copper as "a great friend to us." Apparently it bought in February this year and mostly sold out in April—a little late but at least avoiding the subsequent fall from £800 per ton to around £650.

Options

The third group of funds is the "specials." It includes the First Viking Double Option fund which invests only in double options. This fund eschews copper altogether, at least at current option rates because "copper is not sufficiently volatile." More important, the group includes the Copper Trust

(run by Surinvest) which is the only fund to invest exclusively and fully in physical copper.

The Copper Trust was designed primarily for the individual investor who could not afford to buy a whole copper contract of 25 tonnes. The minimum investment in the Copper Trust is only 50 shares which at current prices cost just over £500. Another advantage of the fund is that it takes away a lot of the paperwork from owning copper—the insurance and the warehousing. The management charge is 1 per cent per annum which added to the other costs, makes for total charges of 2.3 per cent per annum. Allowing for this cost, the price of units has kept very close to the cash price of copper.

Those who bought shares in the Copper Trust at its inception in December and just held on are now nursing a very small profit after having enjoyed zero income. But Surinvest hopes that investors will be prepared to move in and out of the fund. The turnover of buyers and sellers in the fund is quite high, more than 50 per cent per annum.

The problem for this is, though, is that the investor has less than the necessary money for a full contract often not an expert in commodities and is not well placed to decide when to buy and when to sell. He is better advised to go for one of the main funds.

Conversely the institutional and rich individuals who buy copper directly from the market generally do so and avoid management charge which invest makes. This is one of the reasons why the Copper Trust has not found a mass market and the fund is worth only compared to a total value close to the cash price of all the trusts of about £200 million.

However, a new factor recently arisen which helped the Copper Trust and perhaps the other funds as well. It is beginning to look as if the tax position of investment in commodity trusts is better than that of direct investment in commodities. Recently Inland Revenue seems to have been more inclined to treat commodity markets as tax

Consumption doubts

COPPER CONSUMPTION in the U.K. has been reasonably buoyant, as a result of the export boom following the fall in the value of sterling in recent years. But overall there are serious doubts about growth in copper consumption throughout the world, despite the present low price period that should make it far more price-competitive.

Historically, copper demand has grown by over 4 per cent annually, reflecting the growth in the world's population and the move towards improved living standards. In some countries, notably China, boosted their per capita consumption of copper to the same levels as the Western world industrialised countries demand there would simply not be enough copper to go around.

But the world does not work that way. During the past years of erratic prices, and periods of supply shortages and surpluses, copper has lost ground to a variety of substitute materials. The main competitor in the past has been aluminium that has stolen a large part of copper's main outlet in the electrical industry and has also been challenging hard in other areas, notably transport, seeking for example to capture the car radiator market.

The energy crisis, and the higher prices sought for bauxite, have persuaded aluminium producers to concentrate more on profits rather than "buying" volume by low prices. Aluminium prices are now not much less than copper, after having been about 50 per cent cheaper. But while competition from aluminium may lessen, rivalry from other materials like plastics and stainless steels continues and may intensify.

Technological developments also threaten traditional copper markets, with miniaturisation and thinning down on semi-manufactured products cutting down the volume used. This is a process other metals, such as tin with tinplate, have gone through in the past in order to reduce costs and remain com-

petitive in the long-term. At the same time new techniques in the electrical industry in particular, such as the use of carbon fibres, could also hit consumption whatever the price or supply situation.

However, the prospect of ample supplies for several years to come, and the present competitive prices, should enable copper to make the most of its natural advantages in retaining markets that might otherwise have been lost and tapping at least some of the big potential for new uses.

The recent period of surplus has made producers more conscious of the fact that copper has to be sold, like any other metal, if it is to retain its natural market share. New efforts are being made to co-ordinate the promotion of copper development and research as a means of not only boosting consumption but also making the most competitive use of the metal. This is part and parcel of the move towards greater stabilisation of supply and prices that would be welcomed just as much by consumers as producers.

But, these are long-term developments. In the short-term demand for copper depends very much on a revival in industrial activity, and sufficient financial confidence being created to attract new investment in the key industries in which copper is used and which mirror the world's economic health. It is pessimism about the general economic outlook that has depressed the copper market and brought forecasts of a downturn in the annual growth rate.

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Producers cut back mine output

Many people in the current copper market are linked with the idea of a buffer stock. But it seems unlikely that the price of copper will fall to a level which would encourage the production of a new mine in the north-eastern United States of America. In the middle of October next it is expected that the price of copper will be over 100 cents a pound. The management of the Kerr Addison group has given up trying to maintain production in the face of falling prices.

Copper producers in the U.S. have been cutting back output and reducing stocks in the attempt to bring prices up to a level which is profitable. But they have been only partially successful. The international stockpile of copper is not increasing as fast as in 1975, but it is still in excess of 2m. tonnes. The possibility of any substantial price increase in the near future seems remote.

Worse

The copper producers would have found this situation uncomfortable in any circumstances. In fact their position is even worse because they have not been able to escape the general ill-effects of inflation on industry. For example, Palabora Mining, the RTZ group's copper mine in South Africa, acknowledged to be one of the world's lowest cost major producers, had to face in 1976 a 34.5 per cent. increase in costs. In his last annual statement, the Palabora chairman, Mr. G. A. Macmillan said, "If we are looking for an after-tax return on our investment of 15 per cent, and this is marginal for a mining venture, we would require a copper price of R1953 per ton or about £1310 per ton on the London Metal Exchange to bring Palabora into operation under current circumstances. This is equivalent to

103 U.S. cents per lb which is very close to other estimates of prices currently quoted to bring a new mine into production."

Market prices have lately been less than half the figures Mr. Macmillan mentioned. The financial circumstances are thus inimical to the type of large-scale investment which would bring large extra capacity on stream in the mid-1980s.

Constraints

Copper is a plentiful mineral. But this is not to say that there will be incentives to mine the copper. It has become apparent in recent years that the companies, in addition to facing the normal risks of what is at best a hazardous business, will have to come to terms with environmental and energy constraints and that the consumers will have to accept that copper will not in the future necessarily be a relatively low-cost raw material.

Just, however, as manufacturing industry and its consumers have been learning to adapt to the new economic circumstances created by the successive rise in oil prices since the end of 1973, so no doubt will the copper producers and consumers eventually accept what must emerge as a new price structure for copper.

Nevertheless, the private sector producers, working on an international scale, require certain conditions if they are to widen further their search for and exploitation of copper deposits outside the traditional areas like the U.S. where the ore grades are tending to lower.

They need an atmosphere of financial and political stability and a streak of ingenuity in putting together the complicated financial packages necessary to finance large projects.

The issue of financial stability turns around security of tenure on deposits discovered and provisions to ensure adequate returns on investment contemplated. While few companies would now deny that sovereignty over resources rests with the Government in whose territory the resources lie, no general pattern has yet emerged on striking a balance between a Government in a developing country, anxious to lay hands

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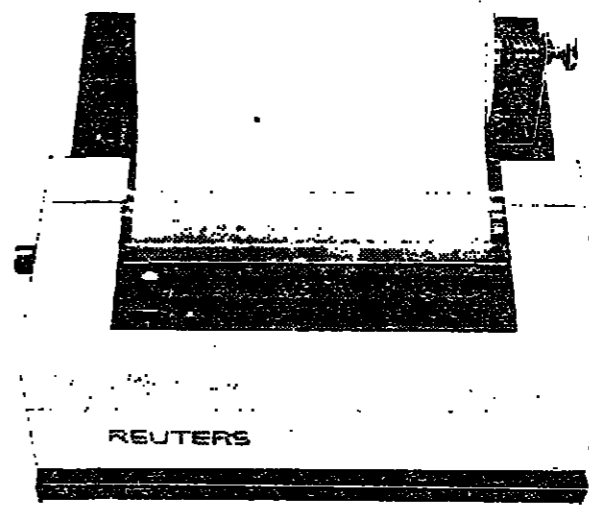
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	1972	1973	1974	1975	1976
AFRICA					
Angola	2.2	2.7	2.6	2.0	1.1
Congo	24.8	38.2	36.7	38.8	41.7
Congo (Brazzaville)	0.5	0.4	0.4	0.5	0.5
Zambia	1.3	1.4	1.7	2.0	1.6
Zimbabwe	1.0	0.9	0.9	0.8	0.8
ASIA					
Philippines	13.6	13.0	12.6	9.6	4.0
Indonesia	25.4	29.9	24.4	28.2	31.3
Malaysia	3.9	3.8	2.5	2.0	2.0
Thailand	39.9	45.6	44.5	52.0	47.9
Vietnam	30.6	44.8	40.6	40.7	47.2
Laos	0.2	0.5	0.5	0.5	0.4
AMERICA					
USA	103.1	111.8	112.1	114.9	130.3
Canada	256.6	292.0	279.5	292.2	309.0
EUROPE					
Spain	0.4	0.4	0.4	0.4	0.4
France	—	0.5	2.6	6.5	12.8
Italy	1.4	1.4	—	0.5	4.5
Germany	14.9	21.8	20.2	6.6	9.0
UK	3.8	4.1	5.0	5.2	4.0
Other	2.3	2.5	2.5	2.5	3.0
OTHER					
Chile	31.8	32.0	32.0	30.0	30.0
Peru	161.9	175.8	179.1	178.9	197.9
West Africa	21.5	28.3	26.1	35.3	42.4
Other	14.5	14.2	11.6	8.5	9.0
TOTAL	437.3	487.7	494.6	494.8	444.6
MONTHLY AVERAGE	71.7	706.6	698.0	676.9	708.9
TOTAL	1,407.5	1,475.4	1,471.1	1,426.1	1,462.5
AMERICA					
USA	719.7	823.9	821.4	733.8	723.6
Canada	1,510.3	1,558.5	1,448.8	1,280.0	1,461.8
Other	8.4	8.2	7.9	6.0	4.8
EUROPE					
Spain	4.8	4.2	3.5	1.7	4.8
France	716.8	735.4	802.1	826.3	1,005.2
Germany	1.8	2.1	2.9	3.0	3.0
UK	1.9	—	1.6	1.0	3.0
Other	78.7	80.5	82.7	78.2	89.0
OTHER					
Chile	2.5	2.7	3.5	0.6	0.8
Peru	219.1	215.0	213.2	173.8	216.3
TOTAL	3,262.1	3,420.5	3,486.6	3,106.4	3,507.5
AMERICA					
USA	185.8	220.3	251.3	219.0	214.3
Canada	124.0	182.9	184.1	172.5	176.5
TOTAL	309.8	403.2	435.4	391.5	390.8
EUROPE					
Spain	5,638.4	6,037.6	6,142.8	5,696.9	6,163.4
France	470.0	503.1	511.9	474.7	513.6
OTHER					
Chile	6.7	7.0	7.0	7.0	8.0
Peru	28.0	48.0	50.0	55.0	54.0
Slovakia	4.7	4.3	3.7	5.0	5.0
Germany	20.0	18.0	18.0	16.5	18.0
UK	1.0	1.0	1.2	1.7	2.0
Other	135.0	152.0	185.0	230.0	310.0
TOTAL	1,030.0	1,060.0	1,060.0	1,060.0	1,200.0
AMERICA					
USA	185.0	149.0	158.0	160.0	162.0
TOTAL	1,490.4	1,407.3	1,515.9	1,820.2	1,807.0
AMERICA					
USA	7,038.8	7,444.9	7,838.7	7,317.1	7,970.4
Canada	586.6	620.4	638.2	609.6	664.2

* Production and refined copper plus production of ores and concentrates, for export as such, shown for individual months are estimates based on actual quarterly statistics.

Source: World Bureau of Metal Statistics.

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The position of the other funds is less clear. The Old Court fund distributes so much of its profit that it is not very attractive to the high income tax payer anyway. The rest at least have not heard of anyone suffering income tax rates as 50.0 yet. The Inland Revenue itself says that individual circumstances are judged on their merits.

The Copper Trust is the only commodity trust which offers an undiluted investment in copper and its tax position looks relatively clear. Among the "holding" trusts, the Metals Trust (only open to pension funds) still has the highest proportionate holding followed by Save and Prosper. But the "holding" funds have a better record than the Copper Trust over two and a half years

Thursday September 1 1977

The SEC attack on New York financing

By JOHN WYLES in New York

Ulster's Irish problem

THE LONG-ESTABLISHED bipartisan British Government policy of power-sharing in Northern Ireland may have appeared to receive a boost from President Carter this week, but in fact it is at present looking less likely to succeed than ever.

On a more mundane level, sectarian politics are enjoying an unwelcome revival in the province. One welcome reason is that the Provisional Irish Republican Army has lost much of its former civilian following: the disaffected Catholics are now available as voters and supporters of respectable political parties and to win their allegiance those parties will not naturally see the advantage of talking about an "Irish dimension" which means some kind of move towards the reunification of Ireland.

Variations on the Barre plan

M. RAYMOND BARRE, the French Prime Minister, described his economic stabilisation package of almost one year ago as a mixture of "the possible and the desirable," and no doubt he feels the same way about the deflationary measures announced yesterday.

M. Barre, a year ago, set a number of broad objectives and in pursuit of most of them he has had some success. The French trade deficit in July was less than Frs.800m. and is unlikely to exceed Frs.13bn. for the year as a whole against around Frs.20bn. in 1976.

Two factors seem to have combined, however, to bring about the new measures. The first was the continued increase in unemployment and the second was the approach of the Parliamentary elections next March. Unemployment in July reached 1.8m. and is expected to be higher by the end of the year, especially given the rather weaker growth forecasts now coming from Germany and even the U.S.

MAYOR JOHN LINDSAY of New York gave a warning in early 1965, during his first televised fire-side chat after being elected, that the city could not continue to balance its budget by borrowing, and thus forever postpone "the day of reckoning."

Regular and increasing borrowing did, however, tide Mr. Lindsay over two terms of office without reaching that day. It was to come in mid-1975, and next Thursday should show whether there is to be a political reckoning for the man who occupied City Hall when the city's financial edifice started to crumble, the diminutive, 71-year-old Mayor Abraham Beame.

Mayor Wagner's changes removed these specific time restrictions, and allowed New York to borrow against the Mayor's estimate of the amount of State and Federal aid due to the city and against certain taxes and fees not necessarily due in that fiscal year.

MEN AND MATTERS

Pipe dreams in Rotherhithe

Any business in Britain today which expresses ambitions to leap from 19th century to 21st century technology in one go surely deserves congratulation. That is what the London Hydraulic Power Company hopes to do. It owns 165 miles of piping under the capital's streets and is now looking for something new to put in them, the old hydraulic system having gone, the way of horse trams, reliable postal services and so on.

Shuart White, the cheerful chairman of London Hydraulic (the presides from Rotherhithe over a diminutive empire of six maintenance men) talked yesterday of the pipes being useful for fibre-optic cables, the latest thing in carrying voice, data or video signals over short distances.

There are other possible uses for leased pipe, all of them a world removed from the mechanical days of 1871 when an Act of Parliament empowered the Wharves and Warehouses Steam Power and Hydraulic Pressure Company to supply its commodity to anyone within 600 yards on either side of a seven-mile stretch of the Thames. The WWSPHPC hired the services of one Edward Bayzand Ellington, the Brunel of the fledgling hydraulics industry, who had pioneered the use of the new power in Chester and Hull.

Under Ellington, the first pumping station came into service in 1882, just in time to supply power to the new lifts which were being installed in the six- or even seven-story skyscrapers then being erected.

In 1884, the network was extended to its present size, and changed its name to a more manageable mouthful. The peak came in the 1920s, when Tower Bridge transferred from steam to hydraulics for its major

certain short term notes were trading at a 35 per cent. discount below the face value, and that by the end of December the discount had risen to 45 per cent.



Mayor Beame and Mrs. Abzug: his embarrassment may be her gain.

the budget, the city employs a series of unsound budgeting and accounting practices, including carrying forward bogus receivables, levying taxes on city-owned property, and over-estimation of revenues. The total amount of bad receivables which may have been rolled over exceed \$500m.

Summing up its main conclusions about city officials, the SEC claims that New York consistently spent more than it received in revenues, that its officials were aware that the budget deficit was growing ever larger, but that they nevertheless continued to employ "unsound budgetary accounting and financial reporting practices which created the appearance that revenues and expenses were in balance."

The bank's reaction to the SEC report has been indignant but brief, largely because they want more time to digest it. Manufacturers Hanover said its holdings of city notes were "virtually the same" in March 1975, as they had been at the end of the previous September.

testimony last September, not finish a little earlier. Until last week, using the public relations advantages of an incumbent office, Mr. Beame had successfully turned public attention away from his handling of a fiscal crisis.

That reputation was the foundations of his election four years ago, when Assistant Budget Director in 1952, Mr. Beame won a reputation for efficiency and money reforms. In 1961 he was elected City Comptroller by a majority over Mr. Beame's second Lindsay administration.

There is a strong possibility also that Congress will strip the SEC's existing charges that the timing of the SEC report renders it "a securities must be extended municipal debt job," the SEC maintains that there was nothing sinister in it.

In spite of Mr. Beame's charges that the timing of the SEC report renders it "a securities must be extended municipal debt job," the SEC maintains that there was nothing sinister in it.

History lesson

Somewhat belatedly, Whitbread has taken on board the news that Sir Francis Drake set off to circumnavigate the globe in 1577.

But OUSA general secretary Rex O'Hare says: "We expressly didn't call it a union." He explains that it was felt some members might object, largely because of the way "students have been presented by the media."

Open closed shop

Thousands of self-improving housewives throughout the land, having just been accepted for Open University courses, find themselves willy-nilly in a closed shop.

Doctored

When Dr. David Owen, then a new and super-enthusiastic Foreign Secretary, shuttled round Africa last April, he was so keen to talk to accompanying journalists that they began to wish he would leave them some time to work in peace. Matters



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Australia

Recession caught up with Australia two years ago. Since then, a new government has failed, in the face of continued lack of world demand for Australian raw materials, to turn the economy around, and the signs are that recovery is still some way away.

himself last... finish a little... until last... his public... advantages of... Mr. Beane... turned public... from his... crisis. A... a day, plus... police depart... capturing the... alleged multiple... enabled the... a lot of... published last... trying for the... race with... a former... man. There... doubts... support of the... New York... local organ... him in the... for the... appears to set... integration of... reputation as... adget admin... That reputa... foundations... in four years... Assistant Budget... 1966, and then... 1952. Mr. Beane... efficiency and... reforms. In 1981... by Comptroller... majority than... secured for... elected in 1981... second Lindsay... Mr. Beane's... he struck a... about city... behind that... and rising... which the... 1973 campaign... As the man... their suburban... he counting... Mr. Beane... made some... \$1.1bn. budget... debt which... higher wages... settled in... admitted as... treated the... September of... SEC report... with accusa... With all... and Australia... will not be... There are... serious doubts... can return... planned... market in the... first time... There is a... also that... that the SEC... latory powers... securities must... municipal debt... subject to com... closure. The... would seem to... in order, at... which the SEC... of having to... between the... private interests.

Few good omens ahead

by Anthony Robinson

quabbling successors to the reassuringly familiar "Bob" Menzies, and voted in the sparkling Labor Party with its exciting new vision of Australia's place in the world, its leaders' passion for the arts, Aborigines, ethnic groups and welfare—and its virtually total disdain for economics.

Compared with all this how prosaic contemporary Australia appears to be. It all started to go sour as Japan, Australia's major trading partner, and the rest of the industrialised world reeled under the combined effects of the energy crisis and inflation. But this was perceived by only very few people in the ruling Labor Government which was still hell-bent on expanding welfareism and handing out large amounts of Government largesse. At the same time the unions were happily negotiating wage and salary increases well in excess of productivity and indulging in a series of strikes.

long hard fight back to prosperity with stability, and bravely faced up to the new facts of international life.

Problems Many of these problems might just go away if the world economy took off again as it did in the 1960s. Foreigners would then be clamouring to invest in new mining ventures, buying up existing agricultural and mineral raw materials, and turning a blind eye to irritants like labour unrest and the like.

Like most outrageously bigoted statements Mr. Sinclair's obviously contains a grain of truth. The industrial suburbs were deliberately created in the immediate post-war years when Australian policy was to import immigrant labour en masse in order to man the new manufacturing industries set up behind high tariff barriers in the name of economic self reliance.

Elections Mr. Fraser is tempted to make a dash for another three years in power by calling early elections before unemployment rises to further politically untenable heights. The Budget tax cuts and the introduction of reserve power legislation to curb public sector strikes by allowing the Government to stand down public employees affected by strikes elsewhere in the service, serve to keep his elections options open.

lam himself was so badly shaken by the Kerr dissolution and his defeat that he is still only a shadow of his former ebullient self while his apparent Bill Hayden has yet to show he has the stuff of a determined leader. Much will depend on the ability of Bob Hawke, the charismatic President of the ACTU trade union federation, to head off any attempt at making the union issue the central point of an early election campaign.

But Mr. Fraser's party also has its own problems. Its popularity has steadily declined over the last year and it has become embroiled in a potentially embarrassing land purchase scandal in electorally important Victoria. Meanwhile separate State elections have just been called for mid-September in South Australia, where the ruling Labor Party Government led by the highly personable Don Dunstan is tipped to win a substantial, morale-boosting victory. This should both encourage Labor and restrain Liberal election enthusiasm, which is in any case not widely shared.

at the last State elections in 1974. So life, after all, is not very easy for Mr. Fraser at the moment. Australian politics have become much more volatile in recent years. The old days of 20-year regimes à la Menzies are over. The electorate furthermore is showing distinct signs of dissatisfaction with both the major parties—a phenomenon shown most clearly in the rapid upsurge of popularity for the third party, the Australian Democratic Party, now being formed by Mr. Don Chipp, a former Liberal Minister who has become utterly disillusioned with the Parliamentary game as played in Canberra and the polarisation of political and social attitudes which has split Australian society since the traumatic dissolution of November 1975.

Australia is a polarised society at the moment, reflecting what the incoming Governor General, Sir Telman Cowen, has described as a "fragile consensus" on what Australia is all about. And yet, deep down, it is difficult to feel really pessimistic about the foreseeable future at least in the economic sense. Australia may be going through a bad patch, but so are we all, and for similar reasons. The decision to mine and export uranium and reasonable expectations of exploitable oil on the North-West shelf should add two new sources of export income and economic stimulus out of it is likely to mean working over the next decade and further development of coal and the past.

BASIC STATISTICS table with columns for Area, Population, GNP, Per capita, Trade (1976), Imports, Exports, Imports from U.K., Exports to U.K., Currency: Australian Dollar

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AUSTRALIA II

Weaknesses in the economy

WHEN Mr. Malcolm Fraser's Liberal Country Party coalition swept into power in December 1975 it did so largely on the grounds that the economy was in a mess but that given three years of sound economic management, it would restore confidence, lick inflation, re-establish international competitiveness and lay the basis for a new period of sustained economic growth and prosperity.

In practice, the underlying structural problems of the Australian economy have proved to be much more deep rooted and stubborn than expected, growth in the international economy has been slow and the Government's success in curbing the growth of public expenditure, while contributing to cutting the underlying rate of inflation from around 15 to just over 10 per cent, has further depressed the domestic economy.

Under these circumstances, unemployment as of end-July climbed to 337,391 or 5.4 per cent of the 6.2m. strong labour force, and union fears that the rate will climb to 7 or 8 per cent next year are given substance by the proportion of 17.7 unemployed for every unfilled vacancy.

In spite of this, the budget introduced by Treasury Minister Phillip Lynch on August 16 shows that the Government does not intend to be deflected from its long term strategy. This gives priority to the fight against inflation, and the shift of resources back to the private sector through a combination of investment incentives, income-tax cuts and a lower public sector deficit.

Further measures to encourage oil exploration on the North West shelf and a decision to mine and export uranium indicate two new natural resource areas whose development should boost the economy in coming years—although in the short run the strategy is basically to sit tight and wait for an upturn in the international economy.

Thus the budget this year appears to be essentially neutral in macro-economic terms. But it includes a tax "reform" which sweeps away most of the former graded progressive tax rates and replaces them with a system whereby 90 per cent of all taxpayers in the \$A3,750 to \$A16,000 salary range will pay a flat rate of 33 per cent. This should make for a substantial redistribution of income in favour of higher income earners. All taxpayers will benefit from lower taxes, but those on the lower scale will find much of their whittled away by higher taxes on petrol, aimed at raising oil prices to international levels in stages.

The budget assumes that GNP growth will slowly accelerate to an annual rate of around 4 per cent at the end of the financial year, that is to say mid-1978.

Growth

Growth over the financial year as a whole is expected to be around 2 per cent, with inflation declining below 10 per cent. provided the Arbitration and Conciliation Board manages to keep wage indexation below full inflation rates.

This is a highly doubtful assumption as can be seen by this independent body's latest decision to allow a 2 per cent rise in wages and salaries to compensate for the 2.4 per cent increase in the consumer price index (CPI) in the June quarter.

Unemployment is expected to rise slightly, only to fall back towards the end of the financial year. This is considered wildly optimistic by the unions and the Labour Party, whose deputy leader and economics spokesman, Bill Hayden has called for an extra \$A800m. of public spending to create more jobs.

Last November's 17.5 per cent devaluation of the Australian dollar, and subsequent crawling peg adjustments, do not appear to have had their desired effects on the underlying competitiveness of exports or have led to a substantial capital inflow.

The introduction of a variable rate deposit scheme in January (mainly to protect a feared inflationary jump in the domestic money supply) added to the impression of a bungled devaluation. This factor, together with continuing uncertainty about both the state of the economy and the exchange rate, has kept capital inflows low. The VRD scheme was removed in July.

The Treasury itself, worried about the effects of devaluation on its anti-inflationary strategy,

opposed devaluation and would have preferred to step up foreign borrowing and ride out the storm. The farming and mining lobbies finally got their way when uncertainty fuelled a massive capital outflow. Subsequent events appear to have proved the Treasury right.

Faced with a steady decline in reserves, the Government decided on August 11 to revalue its gold stock from \$A37 to \$A123 per ounce and so added \$A655m. to reserves at the stroke of a pen. This brought the official reserves as of end-July up to \$A3,053bn.

It then announced that it was negotiating a Euro-dollar bond issue with the Deutschebank. Further borrowing is expected, with the possibility of recourse to the IMF in the background, if required.

Behind the economic aggregates, however, lies the reality of a very particular economic structure capable of simultaneously producing great wealth and great distortions. The major export earners are the farming and mineral sectors who together produce over 80 per cent of export revenues but employ no more than 8 per cent of the labour force. Their exports ensure that the external value of the Australian dollar, when coupled with high domestic labour, transport and other costs, makes most of the rest of the economy highly uncompetitive—especially when compared with the highly productive industry of Japan or low wage economies of the rest of Asia.

Exports

And yet manufacturing, which produces only around 20 per cent of exports and then principally in the form of processed food and raw materials, is the largest single employer, although over the last ten years the proportion has dropped from around 28 to about 22 per cent of total employment.

The bulk of unemployment is now to be found in the depressed rural areas and among the heavy concentrations of immigrants in the principal manufacturing cities of New South Wales, Victoria and South Australia.

Partly as a result of the Jackson Enquiry into manufacturing industry on which lead-

ing trade unionists like ACTU chairman Bob Hawke and alongside leading industrialists there is now a much clearer awareness on both sides of the problems of manufacturing industry.

This includes recognition of the need to improve management and quality and put the emphasis on assistance to bring Australian industry up to international standards rather than passive protectionism.

Jobs

But there is little chance of much progress being made with the economy generally turning up and the unions can be offered new jobs to replace those lost in traditional industrial activities. Australia does have some industries which are fully competitive internationally—the heavy duty mineral train ancillary equipment being one—but the search for promising new industrial growth areas is likely to prove difficult. The high transport and other costs and small domestic market of 147 people.

Textiles, shoes and clothing are the most vulnerable industries. They employ 13.5m. many of whom are women. The fragmented motor industry, five producers competing for a market of just over half a million cars annually, is another. The market would be substantially less if the Government did not restrict imports to 20 per cent and slap a 10 per cent tariff on top.

Under these circumstances the future shape of the economy is likely to show a further in-

crease in unemployment, industry coupled with government ensure maximum participation in engineering work for new jobs like offshore oil, minerals processing. New equipment is already being assembled in Australia. The most important feature is likely to be the growth of employment in the public sector and the industries while the rest of the economy seems destined to remain the agricultural and mineral industries. If this is the case, Australia is destined to live with a higher level of unemployment for the foreseeable future.

Objective

In domestic terms it probably have been expected to pursue the tax objective, a relatively short time, the Budget is likely to be as a very tough document.

The further cutback federal government expenditure is bound to mean the re-down or phasing-out of existing programmes from Canberra. The Government will be on the Government to decide if they will be continued, so how they will be funded. There is a similar problem with international competitiveness. Implicitly, the whole shape of the Australian economy will really recover when the 'world does—a profit the Government funds it make explicit after years ago.

Controls

In July last the Government removed most of the remaining controls on capital inflow in response to the clear fact that there was no inflow, despite last year's big devaluation. After a brief upsurge, the flow had tapered off and by mid-year had turned into an outflow of substantial proportions.

With the controls gone, Australia was offering a haven for foreign funds within an interest rate structure a good 4 percentage points higher than the major international market, through the tax scales in favour of the lower income groups. Used, investors seemed unimpressed by a "technical" devaluation of 1.5 per cent, on August 3 last, revaluation of the official gold stock to market rates (adding about \$A700m. to reserves) and the Government's announcement that it was about to launch a modest foreign borrowing programme to further shore up the balance of payments.

Some of their reasons are fairly obvious: an unexpected lift of 3.5 per cent in the rate of company tax (to 64 per cent); general transport and consumer cost increases that will flow from a new crude oil pricing policy; the prospect of rising unemployment and a halt, for the time being, to hopes for further reduction in the rate of inflation and improvement in economic growth rate.

But the factor which has not been made a public issue, and which the Government will not talk about, is the very great uncertainty which still surrounds the exchange rate for the Australian dollar. Without early corrective action, it could prove a fatal weakness in the strategy for the whole Budget—and for longer term recovery.

The main problem seems to be that although the Government introduced what amounts to a "managed" float last year after the 17.5 per cent devaluation, there was no management between February 18 this year (when a series of upward movements had cut the devaluation, back to 12 per cent) and the adjustment on August 3. Money managers are still convinced that the Australian dollar is over-valued—probably by 3 to 5 per cent, according to most of their estimates.

Provided the Government can handle the exchange rate problem, the Budget could earn it widespread approval among foreign investors. There are no soft options, despite strong pressure in recent months for a modest reflationary programme to stimulate demand and soak up some of the growing pool of unemployment. Government outlays are down in real terms and the deficit reduced to \$A2.2bn, compared with last year's \$A2.7bn. The domestic deficit is reduced in even more—by \$A645m. to \$A1.3bn. The growth rate in money supply is to be held to about 8 to 10 per cent.

The tax concessions have been described as regressive, in the sense that they reverse the long-standing Australian preference for redistributing wealth to the lower income groups. The system markedly favours those greater benefits in the new system. But then Mr. Fraser has never made a secret of his belief that these are the real "wealth producers" of the community and the ones in greatest need of incentive. There may be argument about the philosophy (though it has

yet to emerge) but there is no doubting the Prime Minister's consistency.

Mr. Fraser has argued that Government spending and taxes should be reduced, so that people have greater freedom to choose their money. Last year the rate scales were "indexed" to reduce the automatic inflation. This year the Government has been able to express the other side of Fraser's belief.

Anthony Robins



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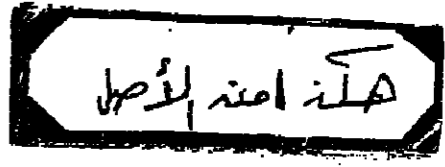


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هنا امنه لخط

Defence policy in flux

AUSTRALIANS spent enough money on gambling last year to fund the defence budget for five years. Although this statistic could be used to draw irrelevant conclusions about Antipodean priorities, the real problem for Australian defence to-day is not financial: it is philosophical.

Since the end of the Vietnam conflict there has been a real crisis in Australian defence circles about the direction of defence policy. The situation has not been helped much by the quite rapid withdrawal of American influence from the South East Asian region, the barely perceptible British presence, and the winding up of the South East Asia Treaty Organisation (SEATO).

The fact is that Australia's strategic circumstances have changed very considerably and at a much faster pace than the defence planners could have anticipated. The argument in the Australian political ring, unfortunately, has not got much beyond the cold-war fixations of the early 1950s.

During the time of the Whitlam Labor administration, the paper was returned written in

a style and tone more appropriate to the political bosses of the day. The Defence Department was not going to be stupid enough to force a confrontation on that issue. They had bigger battles in mind.

The problems of Australian defence are threefold. First, no one is prepared to state clearly what is the current policy on defence. Is it to be a "fortress Australia" concept or is it "forward defence"? Do we "cut 'em off at the pass" or wait till they lob on the doorstep? And that, of course, requires a definition of who "they" are. The second problem is to decide what sort of armaments and equipment to use. And third, how much is Australia to spend on that equipment and is it to be locally made or imported?

The answers to the second and third questions rely entirely on someone coming up with a response to the first. It is one that no Government can afford to give in rigid terms. By and large, the South East Asian region is relatively quiet, even stable. The biggest wars are being fought over tariffs.

But the hawks in the Defence Department are now talking about warning times of about two years for middle-level threats (that is an Australia versus Indonesia row) down to only a few weeks for involvement in a major conflict that would arise from the Australian alliance obligations. In terms of Australia being attacked, the proposition is not dismissed but it is viewed with a good deal of scepticism. Australia is simply not an inviolable sort of country. There are 12,000 miles of coastline, the bulk of which is quite inhospitable, uninhabited, and undeveloped. The only part of value is the eastern seaboard which is populated, has all the major cities, the industries—and the armed forces.

To take Perth might be possible but it would leave any further advance a complete waste of time unless the potential enemy had a crazy desire to capture a desert. The same goes for Darwin to a lesser extent: the prospect in the Northern Territory could become more pleasing for an invader once the uranium mines are opened up.

change to Australian defence planning is dictated by the increasing number of countries adopting 200-mile exclusive zones. In the region, New Zealand and Papua New Guinea have introduced legislation to declare 200-mile zones and Australia is on the brink of doing so. The South Pacific Forum, the grouping of 11 mainly tiny island nations in the region, has been considering the implications of the Law of The Sea Conference at an important meeting in Port Moresby this month.

A 200-mile zone provides Australia with an enormous logistic problem. The zone adds about 2.5m. square miles of ocean to be patrolled and policed. The Royal Australian Navy at present has a meagre fleet of only 12 fast patrol boats, of which one quarter any one time is in dock being repaired. If a 200-mile fishing zone were declared to-day, there would be up to 200 foreign fishing boats, mainly Japanese and Taiwanese, in Australian waters. There have been more than a dozen arrests this year of foreign

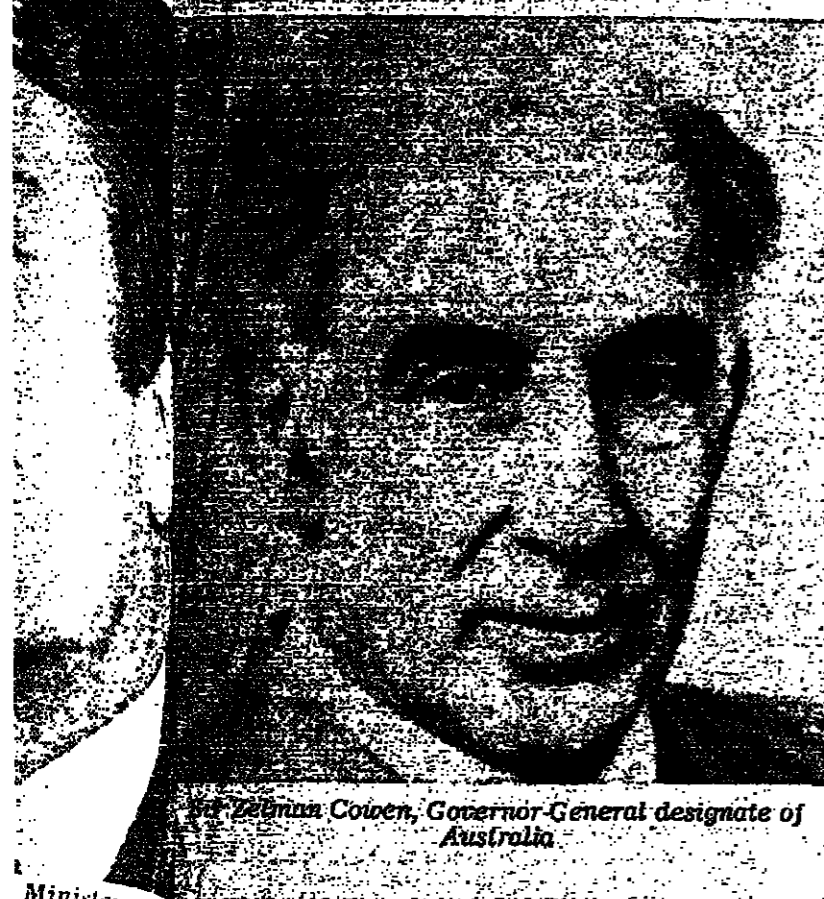
boats fishing inside the current 12-nile limit. There is a feeling that the Navy with all its best endeavours can catch only a small proportion of the raiders.

Alliance

Remote from Europe, Australia now has one significant alliance—the ANZUS treaty with New Zealand and the U.S. The White Paper acknowledges that both countries are important to Australia. It continues: "Australia has local and regional associates with whom we enjoy close and co-operative relations. We must continue to support constructively with them to support stability and security in the general strategic situation; and by our own policy and effort we can insure against the uncertainties that continuing change will sustain and that could produce situations with which we may well have to deal on our own."

It is not very elegantly put or inspiring, but the message is relevant.

John Lombard



Zelman Cowen, Governor-General designate of Australia

Ending the bitterness

ZELMAN COWEN, who more precisely defined. He quotes approvingly the judgement of the Pakistani Chief Justice Munir during the 1950s "the free exercise of discretion or prerogative power at a critical juncture is essential to the executive government of every civilised country."

As for the constitution itself Sir Zelman concedes that there is probably more republicanism in Australia than ten years ago but believes that "the Australian electorate has shown little enthusiasm for constitutional alteration of any sort and measures which touch the emotions, as would any proposal to establish a republic would encounter formidable difficulties. I do not see a great prospect of a success for a set of republican amendments at this time."

Strictly speaking the Governor-General is the personal representative of the Queen in Australia but, as recent events have demonstrated, it is far more than a merely ceremonial position. The Governor has, for example, to give his assent to a Prime Minister for an early dissolution of one or both houses of parliament. There is much speculation that Mr. Fraser is planning an early dissolution and elections. But he already has a substantial majority in both houses and Sir John Kerr is on record as saying that in deciding on a dissolution "the essential question is whether the Governor-General can be satisfied that Parliament has in fact become unworkable."

That would be difficult to sustain with Mr. Fraser's current majority and the decision to grant or refuse a dissolution seems destined to involve either Sir John or his successor in another major political and constitutional controversy in the not too distant future.

A.R.

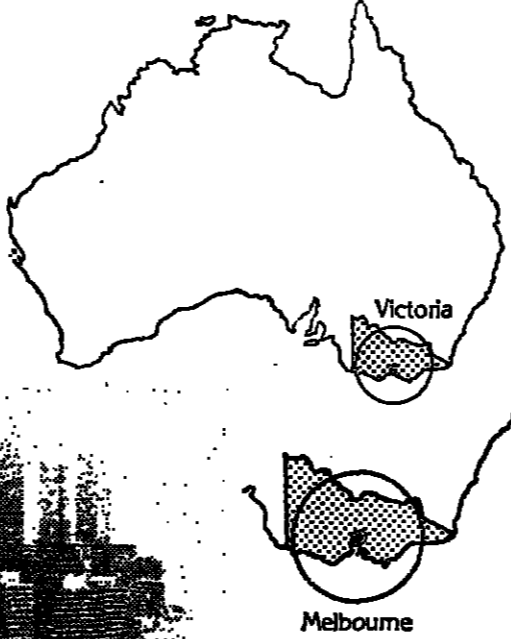
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MELBOURNE

BUSINESS AND COMMERCE

Melbourne is Australia's chosen business, finance and commerce capital. Eighteen of the nation's 26 largest companies are headquartered in Melbourne, as are the head offices of three of Australia's seven major trading banks. More than 40% of all foreign investment in Australia is controlled from Melbourne.

VICTORIA AUSTRALIA



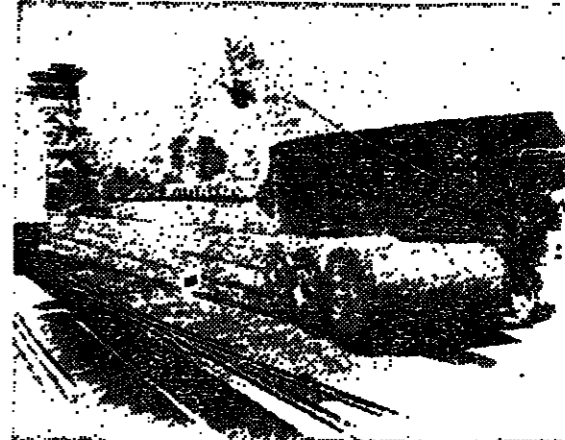
THE GATEWAY TO SOUTH-EAST ASIA

Victoria is Australia's smallest, most densely-populated mainland State. It is similar in size to the United Kingdom, but occupies less than 3% of Australia's total land mass. Victoria contains a quarter of the country's total population, and three quarters of all Victorians live in the capital city, Melbourne. A city of about 3 million, it is Australia's second largest, and fastest growing, capital city.

ENERGY

Victoria has energy resources in abundance. There are at least 130 billion tonnes of proven brown coal deposits, with a minimum of overburden — enough to supply the State's energy needs for hundreds of years. Four huge power stations burn the brown coal to create 85% of Victoria's electricity. Another 15% comes from hydro-electric schemes. In Bass Strait there are proven reserves of more than 200 billion cubic metres of natural gas — enough to last into the 21st century.

For the future, Victoria is developing methods to convert the brown coal into synthetic oil, and will have access to Australia's huge uranium deposits and a climate that will allow solar power to become a cheap and efficient reality.



TRADE

Victoria is Australia's trading capital. The State's transport and overseas cargo facilities make Melbourne the Gateway to the Australian and South-East Asian markets, which contain two-thirds of the world's population.

Three-quarters of the total Australian market is within 1,000 kilometres of Melbourne. Victoria's agricultural and manufacturing industries contribute nearly a quarter of Australia's export earnings. More than 80% of Australia's butter and milk exports are from Victoria; 60% of the country's motor vehicles; and 50% of the beef and veal.

The Victorian Government welcomes overseas technology and investment in development projects throughout the State, particularly in joint partnership ventures.

For further information on investment opportunities in Melbourne or Victoria, contact the Victorian Government's representative in London:

Agent General for Victoria, Victoria House, Melbourne Place, Strand, LONDON, WC2 4LG, ENGLAND. Telegrams YARRA Estrand London. Telephone 03 836 2656.

TRANSPORT

Victoria's transport system moves goods and people quickly and efficiently. Melbourne's Tullamarine International Airport is one of the most modern in the world, with capacity to handle supersonic, freight, and mass air transport. A vast network of main arterial roads and the Victorian Railway system provide efficient links with major provincial areas and the State's four ports.

MANUFACTURING

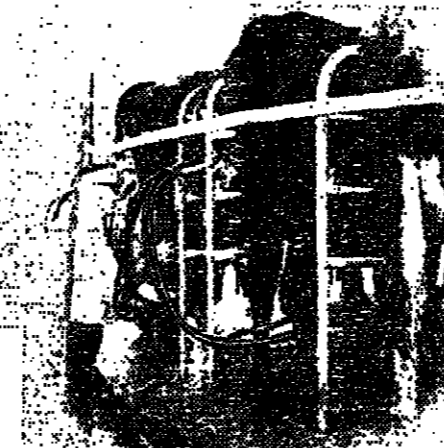
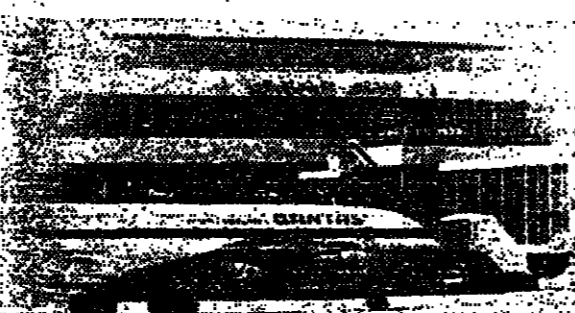
More than a third of Australia's entire manufacturing capability is in Victoria. Today, Victoria produces 50% of all cars made in Australia; more than half Australia's textiles, clothing and footwear; a third of the nation's food, drink and tobacco products; a third of Australia's paper and paper products, and photographic and electrical products; and the State is the centre of Australia's aircraft manufacturing industries.

Many other industries are also showing continued rapid development, including steel and aluminium, electrical machinery, and plastics.



AGRICULTURE

Victoria is rich in grazing land and fertile crop land, and is Australia's most intensively farmed State, producing more than a third of the nation's agricultural products. The State provides half of Australia's total output of milk and cheese, a third of the country's beef, half of the mutton and lamb, and three-quarters of Australia's dried fruits. Victoria has 40% of Australia's irrigated areas, and is the main grower of fruit and vegetables.



Foreign

CONTINUED FROM PREVIOUS PAGE

ar: "The developed countries regretfully more interdependence in trade between them than they are in facilitating progress of nations than themselves have completely failed in their markets to the 'developing countries'."

he first time in its history Australia is entering a neighbourhood dominated by economic factors than considerations of defence or security.

In the arena of security, the Fraser Government's preoccupations with Washington and the American alliance have vociferously endorsed the political appointment of an old Georgia friend as ambassador raised some eyebrows and lowered some eyes in Canberra.

Controversy

one major controversy in American relations during the year—the volcano of CIA activities of the local sections of the CIA allowed at a respectable distance by the Labor Party, concerned about the economics allegations made at a Malaysia or the Philippines, the spy trial that the and they probably think it's a direct threat to Australia's good idea if Malcolm Fraser politics and trades uses uranium as a card in his hand during the Whitlam resources diplomacy with the ant period, and that a REC. But Australia's friends and in Central Australia neighbours may understandably be wondering where "enlightened realism" ends and unenlightened self-interest begins.

Bill Pinwill

a...
foreign...
DUPLICATE

ON NEXT PAGE

AUSTRALIA VI

Frustrating time in mining

THE MINING Industry has had its best year of the 1970s with accelerating improvement ahead. But problems are formidable. Often there is more evidence of backsliding than of progress. Recovery has been painfully slow. Responses and reflexes of the 1960s have proved inappropriate and inadequate: hence the mood of frustration.

In the previous phase of mining expansion, time mattered more than money. To-day the opposite applies. Since the 1960s, the normal 2-1 debt to equity ratio has changed to 1:1. So twice as much equity is needed to set up the same unit of plant. Over the same period, costs have nearly doubled.

These compounding financing factors have thwarted most projects. Base metals prices languish well below levels needed to justify even the boldest entrepreneur's investment. Japan's steel industry has cut back its projected demand, although it will need more Australian iron and coal. While the aluminium market looks relatively strong, new smelter capacity is slow to come onstream, delaying new bauxite-alumina ventures.

Mineral's industrial problems (more widely recognised and criticised, but not much more widespread than normal) complete the picture. Only the energy commodities — coal, uranium and petroleum — have significant compensating factors, although no insulation from industrial and political trouble.

Upgrading

Although the Mt. Newman group plans a similar upgrading plant, and a year ago seemed ready to move ahead with it, this project is still hanging fire. Similarly, the Robe River project's \$A80m. expansion, foreshadowed at the same time, has become the \$A25m. first phase to a \$A65m. expansion. Goldsworthy's plan for opening up its mining area with an 18m. tonne annual throughput at costs close to \$A1,000m. has been cut to one-third this throughput at just under half the cost — accompanied by heavy equity involvement by the likely consumers, the Japanese steel mills. This last reflects another notable industry trend.

New bauxite mining projects and their associated alumina smelters are taking even longer to pull together, despite aluminium's relative buoyancy. Last December the groundwork for what was to be the world's biggest alumina smelter was prepared, with Alcoa and Reynolds Metals joining forces for the Wagerup refinery 70 miles south of Perth. But this union fell apart.

Instead, Alcoa is to build the Wagerup refinery on a scaled-down basis, and Reynolds Metals, with the other Alcoa partners, News Ltd. and BHP, is aiming to bring in other partners for Western Australia's fourth alumina refinery to be located near the coal-mining town of Collie. The upshot is more delays, setting back the schedule at least nine months.

Utah is Australia's biggest profit-earner, but has become the target for industrial militancy. In response to Maritime Union demands that Utah use Australian ships and crews, the company has stopped development of Norwich Park. Meanwhile BHP has stolen a march

with sales from the SA300m. Gregory coal deposit inland from Gladstone — an annual 3m. tonnes initially along a 7m. tonne railroad through an 8m. tonne loader.

However, the premium deposits at Norwich face marketing problems, and a different market is also available for the Warkworth deposits, where five new projects are being put together. CRA will have a big share there if its move into coal and allied industries succeeds. Nearby are developing deposits of Peko-Walsend, Wambo (where Le Nickel has recently bought in), and of Shell-Thiess-Drayton and R. W. Miller.

Melbourne University's Institute of Applied Economic and Social Research expects coal to account for the biggest slice of mining investment by 1980. Overall, it projects the volume of capital outlay on mining to double by the 1979 financial year — from \$A977m. in the current period to over \$A2bn. then.

As the mining groups grapple with the realities of post-oil embargo economics, nothing happens quickly or easily. More than 30 minerals deposits that would be mines in different times or different places are backing up, seeking the right combination of numbers to get them moving. Only a sharp upswing in metal prices would budge them quickly, setting off the elusive surge of new projects. Meanwhile Australian miners are coming to terms with the fact that their 1960s hare has turned into a 1970s tortoise.

Boom likely in oil

Australia's offshore oil industry is poised for a boom. This does not mean, however, that the transition from downturn to upturn will necessarily be swift and trouble-free: the resources industry's recent history presents a pattern of hard slog and frequent setbacks. Oil was ready to take off a year ago and has made little progress since.

But "boom" is not too strong a word. In this context it is meant to convey a build-up in activity, a great deal of money laid out on a narrow base, leading to a mounting vulnerability to bottlenecks and shortages, and a growing recognition that the economic tempo is upbeat — with the ever-present risk that the expectant mood will spill over into disillusionment.

Unhelpful policies have sucked the life out of the industry over recent years. The number of development wells fell from 136 in 1969 to four in 1975; the number of exploration wells was down from 121 in 1970 to 21 last year. Belatedly, politicians are starting to count the cost of Australia losing its reliance on \$A2 per barrel indigenous crude for two-thirds of its needs and replacing it with \$A11 imported crude.

Even before the Fraser Government was elected, the Minister for National Resources, Mr. Douglas Anthony, was warning Australians that they would have to be prepared to pay more for their petrol. Oil men applauded this as a top policy-maker grasping the nettle (and about time too). But despite independent recommendations that Australian crude oil prices should be increased towards world parity the Cabinet has continued to shelve the issue.

The Hongkong and Shanghai Banking Corporation is now in Edinburgh - at Hobart House, 76 Hanover Street. A complete banking service, including foreign exchange and financing for Scotland's exporters and importers, is now available at the Hongkong and Shanghai Bank's new branch in Hanover Street, Edinburgh. Customers will have access to the Hongkong Bank Group's global network of over 400 branches and representative offices spread across Western Europe, North and South America, Australasia, Asia, the Middle East and North Africa. If you wish to do business overseas, or need expert, on-the-spot advice on a foreign market, the new Edinburgh Branch Manager, Ian Menzies, will be pleased to help.

愛丁堡 (Edinburgh)

The Hongkong Bank Group. The Hongkong and Shanghai Banking Corporation, The British Bank of the Middle East, Mercantile Bank Limited. EDINBURGH: 76 Hanover Street, Edinburgh EH2 1HQ. Telephone: (031) 225 9393 Telex: 727649. LONDON OFFICE: 99 Bishopsgate, London EC2P 2LA. Telephone: 01-638 2300 Telex: 885945. HEAD OFFICE: 1 Queen's Road Central, Hong Kong.

Uranium decision. LAST WEEK'S announcement by the Government that Australia would, after three years of speculation, develop a uranium mining and export industry barely touches on the shape that industry will take. There were no great surprises in all of them as on demonstrating that the Government was alive to the complex range of issues involved — the environment, aboriginal welfare, foreign policy implications, non-proliferation of nuclear weapons and even the taxing of what are expected to be large profits by the miners. Commercial interest, however, focuses naturally enough on the questions of who will be first into production, on what scale and by what means. These are the questions the Government has chosen not to answer, at least for the present. Mr. Justice Fox's exhaustive inquiry into uranium development on the Government's behalf recommended that known discoveries should be developed one at a time, or sequentially. This is one of relatively few major specific recommendations from the Fox Inquiry which has been rejected. The Deputy Prime Minister and Minister for National Resources, Mr. Douglas Anthony suggests that the sequence of development will be dictated by market forces and perhaps more than a modicum of bureaucratic control. "The existing deposits are at different stages of investigation and there will of course be different environmental and other requirements necessary in each case," Mr. Anthony said last week. "This will result in practice in mines coming into production at different times. The Government therefore sees it as unnecessary to set down a specific timetable of sequential development and it is satisfied that completion of the requirements, which will be a prerequisite for any development in each case, will result in the Ranger (Fox) Inquiry's recommendations regarding development being satisfied." The Ranger (Peko-EZ) and Nabarlek (Queensland Mines) projects seem certain to be the first into production with Veilrie (Western Mining Corporation) and Jabliuka (Pancontinental-Getty Oil) some distance behind and Knoonarra (Noranda Australia) postponed to the indefinite future. Ranger was the specific subject of the Fox Inquiry and its development plans have been approved so far as environmental impact is concerned. Nabarlek lacks a final environmental clearance but is further ahead in negotiating terms with the local aboriginal people. Both these projects are on designated aboriginal land. Jabliuka is within a pastoral lease which the Government intends to resume but the land will then be subject to aboriginal land rights claims and, once they are settled, negotiation between Pancontinental and the traditional aboriginal owners. Jabliuka also lacks environmental clearance, although a final impact statement was submitted about a month ago. Veilrie, in the far west of Western Australia, is the only one of the major deposits under current consideration which is outside the Northern Territory. It can expect strong support from the State Government but its biggest obstacles are technical. Western Mining has to build a pilot plant to determine the final design for a full scale operation, and its mine is not expected to open before 1983. Of the NT deposits, Knoonarra is in the most sensitive and fragile ecological system, and the Government does not envisage it receiving development approval "for some considerable time." Ranger has the further advantage of direct government participation under an agreement dating from 1974, when the Labor Party was not only in government but in whole-hearted support of uranium development. The agreement provides that the Government will provide 72.5 per cent. of the capital for an operation to produce 3,300 short tons of uranium oxide a year. Peko and EZ would put up the rest, with the net proceeds of sales to be split between the two sides. This may, in fact, become an increasingly important factor if investors and potential miners take at face value the present Labor Party policy to repudiate contracts written in the present circumstances when it returns to power. Peko-EZ and Queensland Mines are also fortunate in having contracts dating back to 1972, which the Labor Party has already promised to honour, and which also escape the net of the present Government's safeguards policy, which has had a decidedly cool reception from its potential customers. The Government has estimated demand for Australian uranium rising from 2,000 tonnes in 1981 to about 10,000 tonnes in 1985. But it seems, on present calculations, that three new mines — Ranger, Nabarlek and Jabliuka — could be producing about 7,000 tonnes a year in 1981-82 if there are no obstacles put in the way of their development plans. This would give greater significance to the Government's intention to establish a uranium marketing authority, if it can do so without conflict with other countries' anti-trust laws. So far, there has been only the sketchiest outline of the Government's intentions for the authority. According to Mr. Anthony, "it would ensure that the Government at all times has proper knowledge, oversight and control of the commercial arrangements, under which Australian uranium is exported." He also notes the Government's desire "orderly" development of a new industry, but stopped short of any suggestion that authority should be the marketing agency. The Inquiry, however, though should be, and the potential over-supply situation in early 1980s would give the Government's idea ahead for the uranium industry has already given a slant to the public debate seems likely to figure large in the next election campaign. Opinion polls still show a majority of Australian in favour of controlled development but there is no doubt the minority opposing sentiment has stepped up again. Some are still predicting despite the enunciation of government policy, we will become as divisive as Vietnam.

AUSTRALIA. A British quoted public company wishes to expand its existing profitable activities in Australia by acquisition. Interested in purchasing not less than a majority shareholding in enterprises engaged in production, manufacturing, and/or merchanting and/or distribution. Write Box T4698, Financial Times, Cannon Street, EC4P 4BY.

Queensland's rich seams

IT IS currently happening around the coal mines of Queensland has enormous significance for virtually the entire Australian economy—their foreign investment, the attitudes of the unions, and the environment and connected issues.

The existence of coal in the basin was discovered a 100 years ago by the legendary explorer of the North, but the company put the basin on the minerals map was the company Utah Inter-

national, who, having seen their membership dwindle to 5,000 as shipping has been steadily priced out of the market, are now seeking to get their members employed on Utah's coal ships.

The ASU in Brisbane estimates that it would cost Utah \$5 cent per ton to employ Australian seamens on the bulk carriers which ply the quadrilateral route (Hay Point (Queensland) to Europe and then on to Brazil) to pick up iron ore for Japan and then back to Hay Point for another coal cargo for BNC, Finnsider and other European steel groups.

Includes

This includes the cost of employing 80 per cent more seamens than the Spanish crew presently engaged. They would be needed because of the relief crews required to staff the Australian union's 23 weeks shore leave annually. With 15 per cent of Queensland's registered seamens unemployed the ASU is picketing Utah's Brisbane headquarters and refusing to man the vessels needed to approach Hay Point in order to enforce their claim that Australian seamens should ship Australian mined coal around the world.

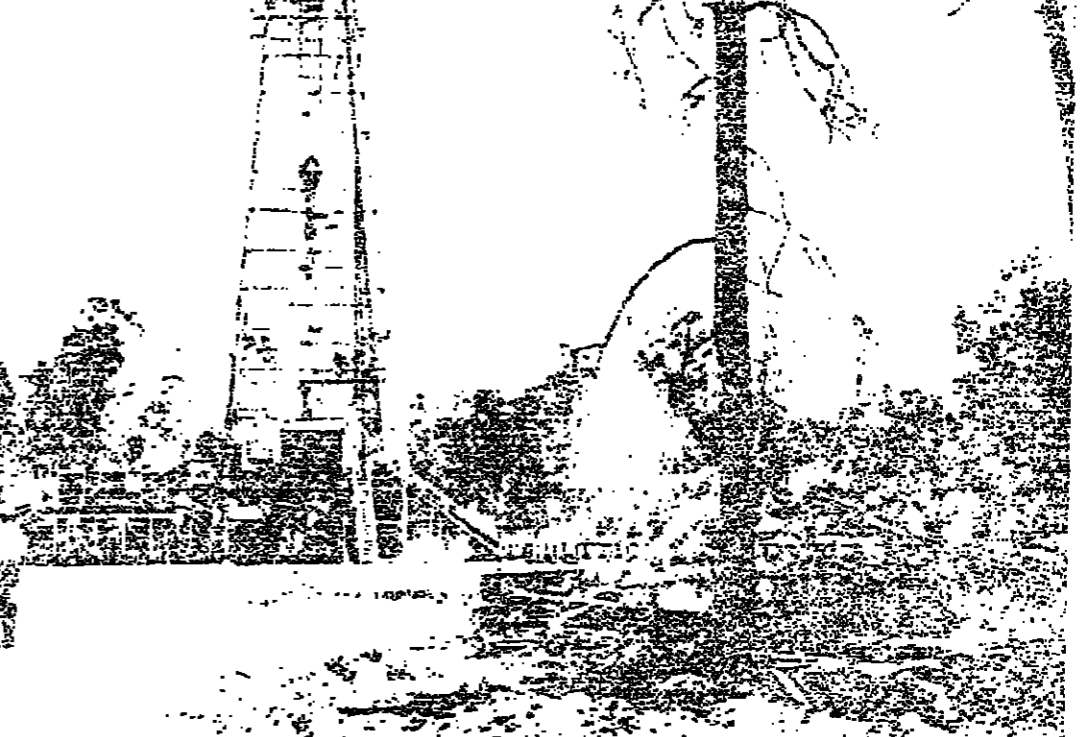
At current levels of profitability from its rich open cast mining seams and long-term supply contracts Utah is not suggesting inability to pay. The issues involved are much greater. Neighbouring New South Wales for example is another major coal exporter but its under-ground mines make profit margins much slimmer. There is little doubt in anybody's minds that if the principle of Australian crews for Utah ships is affirmed this will be used as a precedent to try to push through the universal rule of Australian crews for Australian export cargoes.

Given Australia's distance from its main markets, the high bulk and relatively low value cargoes and the scope for monopoly bargaining it is a situation which could put a stranglehold on exports and further cloud Australia's attractiveness to foreign investors.

This at any rate is the thinking behind the writ served by Utah on the ASU regarding damages arising from the ASU blocking of the Berryessa, the tugboat at Hay Point. It also lies behind the decision of Queensland Premier Joh Bjelke-Petersen to step into the dispute by declaring himself a 100 per cent shareholder in the Utah stand, a supply alternative to the position he holds in Utah that if they do give way on this issue this will be taken as proof that the Queensland state regulates on and are too low and will be increased. To complete the picture Utah has also decided to halt preliminary work on the new \$250m Norwegian Parliament develop-

ment and put the scheme on hold until the issue is decided.

It all adds up to considerable pressure on the union at a time when unemployment generally is high and risks investment, especially overseas investment, needed for new mining ventures is slack, and public opinion is being led from all sides with the message that the unions are behind much of Australia's current malaise. These are all factors which have influenced Utah's decision to take a stand now when it has the resources and political backing to do so, even though a stand of this kind does carry with it the risk of widespread strike action if the so far verbal expressions of solidarity with the seamens are taken on as a whole. There is little evidence, however, that such a global contribution is needed by the ASU, particularly in what is increasingly looking like a pre-electoral situation.



The Aristotle, one of the Corporation's fleet of Moomba 1, in Queensland's Surat Basin, about 200 miles west of Brisbane, the capital.

how bright can be seen \$137m profit made by development of the Australia-owned 39.2 per cent by Utah International and 60 per cent by Australian through the publicly Utah Mining Australia financial year and the made over the first half year.

the very existence of life these which have other foreign companies like Shell and Conzinc of Australia (CRA) greater. Neighbouring New South Wales for example is another major coal exporter but its under-ground mines make profit margins much slimmer. There is little doubt in anybody's minds that if the principle of Australian crews for Utah ships is affirmed this will be used as a precedent to try to push through the universal rule of Australian crews for Australian export cargoes.

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Labor's bright young man

YEAR parliamentary criticism is directed against the Australian Government and lack of initiative shown by the Australian mining industry are serious and the inadequacy of the industry to get Australian capital market ground, mean that the Opposition have to intervene very seriously into any investment in any investment.

Minister for Energy and Paul Keating, is one of the brightest young men, age of former Labor Minister Rex Connor, the mining companies.

Japan until the early 1990s, the need for better safety and progress on western equity participation. He is in any case intervention and a government revenue on a scale which creates a buyers' market. This he believes is what has happened in the six- and coal, allowing 1987/73 mining and foreign, principally Japanese, buyers to screw down the price.

He also believes it important to get North West Shelf oil and gas off the ground, and to this end is prepared to allow export of sufficient quantities to make the project viable, but still ensure supplies for a pipeline to supply the eastern states of Australia.

Keating quotes this as an example of the pragmatic approach a future Labour Government would take in the mining question but he also favours the recreation of some form of state petroleum-minerals authority, similar to Britain's BNCOC or Italy's ENI, with the ability to take an equity stake in minerals developments.

As for labour problems of Australian mines, Keating agrees they have been a factor in investor reticence. But the main reason why Australian minerals developments have been hanging fire for five years is the basic lack of demand caused by the worldwide economic slowdown, and Japan in particular.

Japan and the world need Australian minerals and when demand rises they will just have to grin and pay a good price, which also includes an equitable share for Australia.

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The prospects for manufacturing investment in Western Australia have never been better.

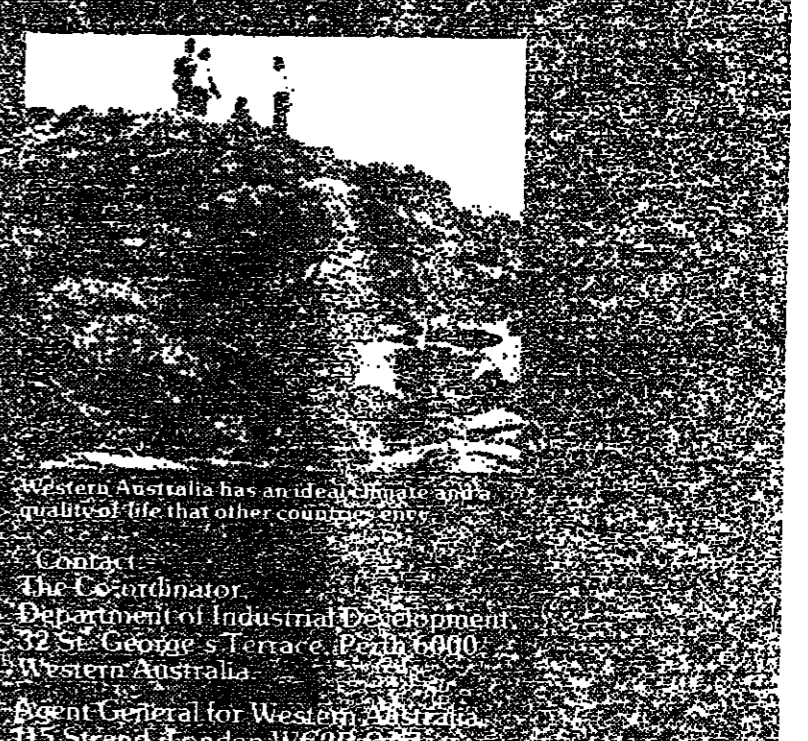
In little over a decade, Western Australia has become the world's second biggest producer of iron ore. Now the stage is set for the largest single mineral undertaking ever attempted in Australia — the development of the huge natural gas and oil reserves at the North West Shelf.

Quite apart from the plans for our natural gas and the expansion of our iron ore industry, Western Australia's economy will receive a significant impetus with the new projects for alumina, nickel, uranium and other vital minerals.

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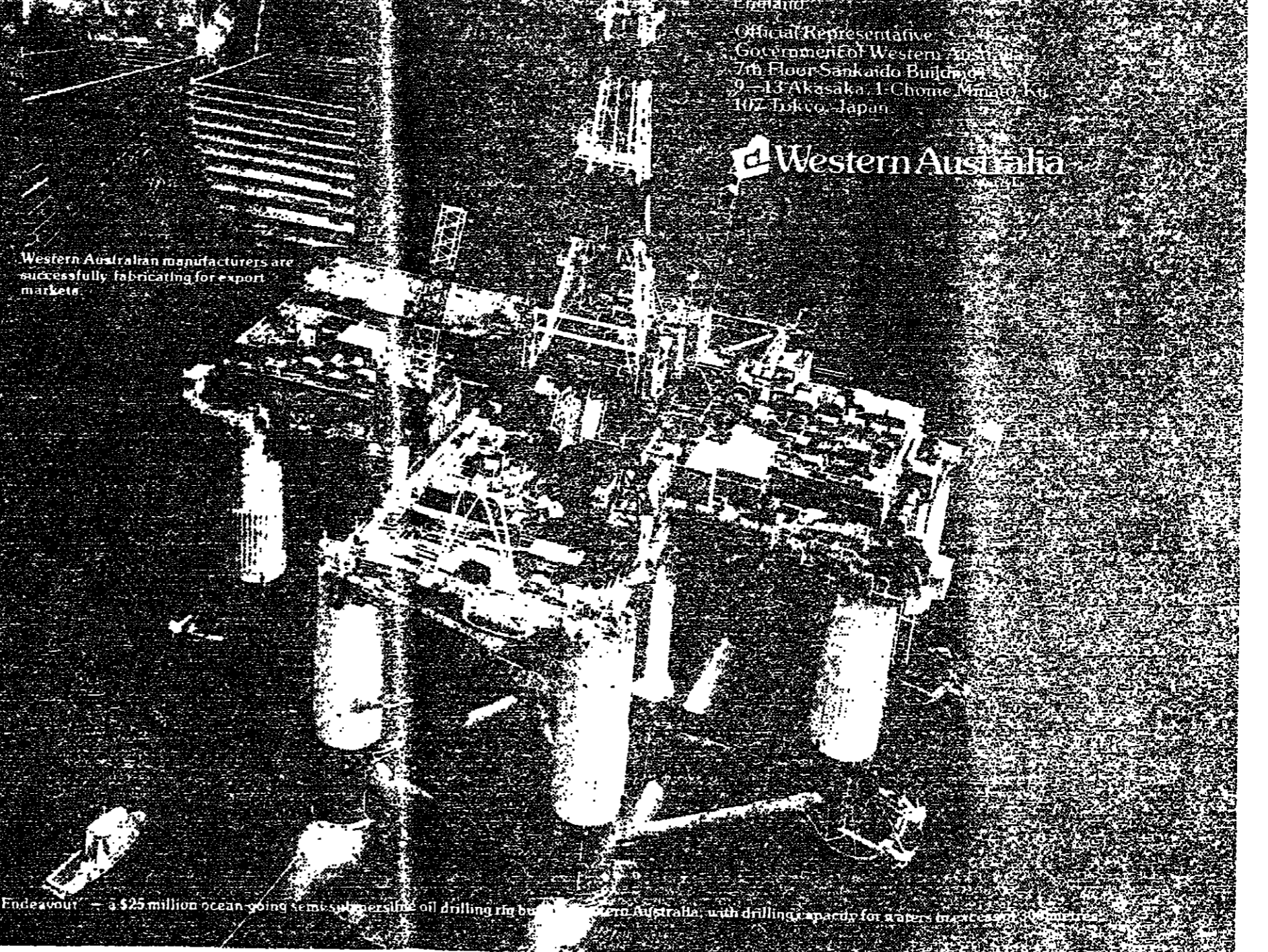


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AUSTRALIA VIII

Farmers feel the pinch

IT HAS been a poor year for Australian farmers. In February the Government's National Rural Outlook Conference presented a gloomy picture of sharply rising farm costs and declining commodity prices. The terms of trade for the rural sector—prices received to prices paid—were worsening at around 3 per cent a year while productivity was predicted to increase by only 2 per cent. This left a 1 per cent gap which farmers could not close. Therefore they could expect declining prosperity in the years ahead.

As the year advanced beef producers fell deeper into debt, the wool market retreated from the relatively high prices of late 1976. Japan became agitated about the price it had contracted for Australian sugar and the Prime Minister, Mr. Fraser, failed in his much-publicised attempt to open the EEC doors to our rural exports.

The only bright spots were a massive wheat sale to China and a growing meat and live sheep trade with the Middle East. At the end of July the Federal Bureau of Agricultural Economics issued its farm income predictions for the 1977-78 financial year with much the same message. The health of the rural sector was expected to worsen with real income per farm to fall by 14 per cent to SA10,352 and the value of rural exports to drop by 8 per cent.

In calculating real farm income the Bureau has taken average inflation rate for the assumed an inflation rate for mineral companies whose Australia of 10 per cent. Farmers are not arguing with the official forecasts and has generally accepted that the Rural Adjustment Scheme must be continued and intensified to ease out marginal producers and make those who stay more viable. What farmers do query is why they are being told to adjust production to the dictates

of the market while large sectors of secondary industry are sheltering behind high tariff walls. They see an efficient but highly protected secondary industry as mainly responsible for the sharp hike in farm costs, up by around 100 per cent since 1971-72.

Another major cost factor has been increasing wage rates. Only the shrewdest farmers have pointed the finger at the mining industry as the real culprit intensifying the cost-price squeeze.

The lead was given by economist Dr. Robert Gregory of the Australian National University who has declared that the rapid growth of the Australian mining industry is as injurious to agriculture as a doubling of the tariff rates. Mining, according to Dr. Gregory, has been the pacemaker in competition for labour and other inputs while it has attracted massive investment funds from abroad and boosted overseas exchange earnings. All this has heightened inflationary pressures to which Australian farmers are especially vulnerable.

On the other hand, farm exports have fallen from 85 per cent of all exports to 48 per cent (44 per cent in 1976-77). In the early 1950s agriculture provided around 80 per cent of total export earnings.

The mining industry is on the verge of another expansionary phase as Australia's substantial uranium deposits are extracted for an energy hungry world market. As uranium shipments leave Australia, rural exports will have even less impact on the balance of payments, making it less likely that Government will be influenced by severe dips in farm incomes to devalue the Australian dollar.

This is what farmers probably fear most—an inability to pressure the Government to devalue, the one sure measure they rely on for a respite from the cost-price squeeze.

The Executive Officer of the powerful Graziers' Association of New South Wales, Mr. John White, has urged the Government to restrain the growth of the uranium industry. He has opted for a 50-year development phase rather than five years, claiming that a rapid growth rate would induce a massive inflow of overseas investment funds which would be followed by enormous export receipts.

This, he argues, would cause adjustments in the rural sector on a scale so great that they could not be imagined right now. The old cliché that Aus-

Surpluses

But times have changed since the early post-war period when Australia's large commodity surpluses found ready markets overseas. Not only has farm production increased rapidly in the countries that once sought Australia's produce, but their powerful farm lobbies have been most effective in shutting out foreign imports.

The EEC has been the prime example, and its enlargement to include Britain has been extremely costly to Australian farmers.

Despite a decline in the number of Australian farm operators, there are large surpluses of many commodities hard to shift at remunerative prices. Currently the biggest problem facing Australian agriculture is the slump in the beef industry. Only a few years back beef was the boom sector of agriculture. High prices were taken as the norm with farmers building up herds from 22m. in 1972 to over 33m. by 1976.

The traditional beef producers were joined by wool, grain and dairy farmers switching enterprises. When the crunch came, not only through

heavier meat production through political actions by Japan, the EEC and the U.S.A. curbed imports, the effect was widespread. Many farmers expanded production or entered the industry by paying inflated prices for livestock and land. For them the result has been enormous debts which cannot even service let alone repay.

The frustration of beef producers this year has resulted in a rare display of ill-feeling. Farmers have shot cattle with television cameras, blocked sale-yards and they booed the Minister for Primary Industries, Mr. Sinclair, in a demonstration outside the National Parliament. Farmers' hopes of a bright future for beef lie in gaining control of the National Marketing Corporation and achieving a price stabilisation scheme. However, the prospect is of doubtful benefit and a second impracticable, perishable commodity is in supply.

Beef will only pull out of slump when the current downturn in the cattle cycle, Australia, the U.S. and other levels out and farmers are more stock off the market breeding. Prospects will also be enhanced by an end to current world-wide economic recession and a return to economic growth. Beef is a premium item with consumption rising line with higher incomes, higher levels of employment

Tom Conn

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Traditional

The National Country Party, the traditional farmers' party, has tried to encourage them to blame the former Labor Government for the nation's high inflation rate. This is a logical stance for the NCP which in recent years has taken the role of protector of the mineral companies whose mines are located in outback areas. As the output of mines has increased, agriculture's share of the gross national product and export earnings has continued and intensified to ease out marginal producers and make those who stay more viable. What farmers do query is why they are being told to adjust production to the dictates

of the market while large sectors of secondary industry are sheltering behind high tariff walls. They see an efficient but highly protected secondary industry as mainly responsible for the sharp hike in farm costs, up by around 100 per cent since 1971-72.

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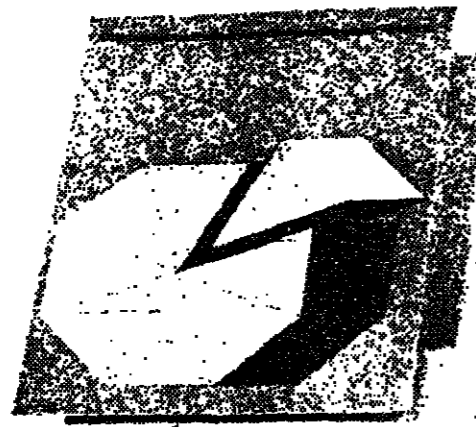
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Pilbara's vast iron reserves

WESTERN AUSTRALIA'S Pilbara region is mile after endless mile of sage green spinifex, gum trees, red earth, and iron. Tons of iron, mountains of iron, mountain ranges of iron like the Hamersley and Ophidion. One such mountain is Mount Whaleback, whose thick blue-black seams of 65 per cent iron-rich haematite run through a total ore body five miles wide and over 1,000 feet high containing around 1.4bn. tons of average 55 per cent iron, enough to supply the whole world's iron ore demand for 18 months.

Mount Whaleback is mined by the Mount Newman company and is only one of a whole series of rich iron ore deposits in a vast area 450 km. long by 150 km. wide which contains at least 35bn. tons of high grade ores, and countless billion tons of lower grade ores recoverable if the price were right.

The bigger mines further from the sea have expanded steadily and massive new projects—like Lang Hancock's Marandoo project involving shipment to Singapore, construction of a beneficiation plant there and onward sales throughout the Middle East, Japan and Europe, or the Goldsworthy "area 1" project west of Mount Newman—are at an advanced state of negotiation.

But the timing and the economics of such projects depends partly on the future demand pattern for steel and partly on foreign and domestic investor confidence that regular delivery can be guaranteed and cost levels kept under control. Both factors depend to a large extent on labour relations in the mines, and labour relations over the last few years have not been good.

If men like Western Australia's Minister for Mines Andrew Menzies or Lang Hancock are to be believed the West's iron ore industry is the fruit of a world-wide Communist conspiracy to compensate for the economic inefficiency of the Communist system by sabotaging one of Western world's major sources of a vital industrial raw material.

Close observers of the mining scene here believe that part of Mount Newman's special problems are linked to the fact that it is a consortium operation shared between the U.S. Amax Corporation, BHP, CSR, Selection Trust and Mitsui/C.Itoh. The mine itself is operated under 100 per cent Australian management but the presence of so many different shareholders on a consortium basis has, it is believed, made it difficult to agree. Union spokesmen themselves tend to cite the presence of Australia's largest industrial scene agree that the average Australian worker's notorious apathy vis a vis active union participation has facilitated infiltration of the unions by extremists. But they also add in the human problems of living in company towns and intrinsically vulnerable nature of highly capitalised, integrated mining operations and ability of mining companies in

of the smaller stoppage company—spokesmen. A mine also quote the two-week strike of rail on the 430 km rail line by Hedland following demand a crew for alleged driving. An arbitration later reinstated the men.

To put all this into perspective it has to be remembered that over \$A700m. has been invested at Mount Newman to supply contracts. It is a sizeable amount of capital around unused on a mine that is typical of the money required to get out of bush areas and them to the coast. This kind is essentially moving and plant in operation under harsh conditions. More workers employed on malodorous air-conditioned drag line trucks, bulldozers, crushers, water spray so on than in actually and mining the ore.

Furthermore, to take Newman as an example 40 per cent of the total bulk of the \$A700m. spent on building towns, the 430 kilometre way and the port to accommodate two bulk carriers at Port Hedland. Newman is now to produce 40m. ton annually. When that is achieved, public highly profitable and competitive and a 50 per cent investment. Where there are long lines Boardrooms around

Existence

Until 1960 the existence of iron on a massive scale was known but remained of purely academic interest as the Government maintained a ban on iron exports, largely for what now appear to be rather archaic strategic reasons. Like so many Australian mineral projects, only the prospect of vast export contracts overcome the disadvantages of isolation from main markets and distance from the coast.

The prospects turned into reality in the 1960s when Mount Newman, alongside other mines like Robe River, Goldsworthy, and Tom Price swung into operation. Some of the smaller mines like Goldsworthy are already close to exhaustion, but

the past to buy industrial peace and off-load the higher costs on to the mainly foreign purchaser through higher prices.

Which ever way one looks at the problem the Pilbara suffers from it and Mount Newman's Whaleback mine probably suffers more than most. When I visited the mine in early August daily records of over 360,000 tons of ore and overburden were being shifted daily at the mine's 24-hour-a-day operations. But this followed a 32-day-long strike, which cost the company over \$A1m. a day, and many other smaller disputes.

Observers

Part of the problem is that there are nine different unions working on the Pilbara, and the inter-union rivalry and demarcation disputes lie behind many

Aboriginal movement steps up the pressure

YEARS after Australians voted in a referendum to give the Federal Government power to make laws on questions of Aboriginal affairs, a national Aboriginal organisation has called for a referendum to give the Federal Government power to make laws on questions of Aboriginal affairs.

The organisation, the Aboriginal Progressive Association (APA), has called for a referendum to give the Federal Government power to make laws on questions of Aboriginal affairs.

The APA has called for a referendum to give the Federal Government power to make laws on questions of Aboriginal affairs.

Aboriginals crowded into unhygienic, unheated, unsewered and illegally over-priced slums in the heart of the city.

Almost 80 per cent of the Blacks in Sydney are unemployed—the national Aboriginal unemployment rate is 50 per cent, compared with 5 per cent for the White population.

Over the past year health workers, educators, social workers, and police have said housing is central to any attempt to improve the lot of Aboriginals. Five per cent live in "improvised housing" that is, tin huts or old car bodies and 8 per cent of Aboriginal houses have neither gas nor electricity compared with 0.2 per cent of white houses.

The picture is so appalling most Australians believe the Aboriginal problems are probably "insoluble," an attitude that has been able to live with because it has long been assumed that Aboriginals were dying out, and all that was really required was a comforting pillow during their last days.

role in steering the first Aboriginal Land Rights Bill through Parliament. The struggle for right to land which they traditionally owned has been the main area of political activity for Black over the last ten years. White Australians find it hard to understand the feeling Aboriginals have for their land and many are sceptical about claims to more than 25 per cent of the Northern Territory land mass.

Opponents of the land rights movement, including Queensland Premier, Mr. Joe Bjelke-Petersen, claim it is a new form of apartheid, conveniently overlooking the fact it is Aboriginals who have pressed for legislation.

Mr. Bjelke-Petersen's State Government is doing everything possible to frustrate the Federal legislation including blocking the transfer of leases for properties bought with Federal funds. Mr. Viner has not dodged any clashes with Mr. Bjelke-Petersen and his forthright criticism of the Queensland line has won friends. But on the much more topical question of uranium mining and how it would affect Aboriginals, Mr. Viner is living on borrowed time.

Mr. Justice Fox in his final report on proposed uranium mining in Northern Australia said many Blacks would gladly forfeit the promise of royalties in exchange for a simple decision not to mine. Their fear, based on experience elsewhere, is that mining will disrupt their lifestyle and bring the worst of the European diseases—alcoholism, venereal disease and social breakdown.

Objectives

formed 20 years ago by a group of concerned Whites and Blacks, FCAATSU's original objectives were equal citizenship, rights for Aboriginals, and standards of living equal to those of the most affluent section of the community.

Publication of the report was the first time that a Black ghetto in Sydney was mentioned in a mainstream newspaper.

good many concerned and conservative Blacks that calling for foreign investment may harden domestic opinion to Aboriginal advancement just as it seems some might be made. Certainly there is no shortage of radical Blacks who draw world attention to the treatment of Aboriginals.

all statistics on the living standards of Aboriginals abound. At the moment that the Prime Minister, Mr. Fraser, was attacking New Zealand Prime Minister, Mr. Muldoon, for his cent of Maoris, the conservative Royal Australian Society of Ophthalmologists reported on its work on disease among outback Aboriginals.

report shocked even the added observers. According to a task force of eye specialists, Aboriginals had the curable blindness rate through the world. Every Black in outback had at least one eye relative. One in four over 60 was blind and had poor vision. One in five needed some sort of operation and one in 10 Blacks needed some

Struggle

ian Viner, 44, a Perth lawyer, is the best political hope Aboriginals have had under any Liberal government. In two years his enthusiasm for his portfolio, his apparent sincerity in dealing with Blacks and his ability to sway the cabinet have made him extremely popular with Blacks.

He has made no attempt to disguise the seriousness of the Aboriginal situation and makes a habit of confronting Black meetings with details of Aboriginal infant mortality rates and poor housing and employment rates.

Mr. Viner played a major

David Broadbent

According to a recent budget background paper, funds are unlikely to flow before the economic recovery picks up because, at current levels of economic activity and wages, the return on funds is "inadequate."

Record

The strike record is another inhibiting factor. Although the Government has managed to contain wage demands, the unions are expected to seek 75 larger increases to compensate for this when the economy does turn up.

The Government itself has also acted in ways that have made potential investors wary. It decided to stop mineral sand mining on Fraser Island, for example, because of an environmental inquiry recommendation of government. The bulk of the \$A1.397bn. of funds which figure as net apparent capital inflow in 1976-77 was accounted for by short term funds which represented the unwinding of leads and lags and the return of speculative funds after the November 1976 devaluation.

Stricter line possible in foreign investment

THE RETURN of the Liberal and Conservative Party coalition has meant a government more disposed to foreign investment, mainly because its original strategy for economic recovery was to promote an investment recovery.

Accepting political realities, however, the Government has adopted a policy that on paper is much the same as that introduced by the then Prime Minister Gough Whitlam on September 24, 1975.

The apparent contradiction has been solved by the Government simply not implementing the policy in the manner its drafters intended. Some economic commentators here believe that the Government could be forced to adopt a stricter line towards foreign investment because of the way in which U.K.-controlled Con-Rite-Turb of Australia (CRA) recently gained control of gas and allied industries before it had received Government approval.

The takeover was the latest in a whole spate of foreign investments in the Australian coal industry. This has led to opposition to call upon the Government to clarify its policy

and tell the people where it stands on the question of foreign investment in energy minerals. But the Government has so far remained silent and it now looks as though CRA and the oil companies will not have their proposals rejected.

Administration of the Government's foreign investment policy is looked after by the Foreign Investment Review Board which is serviced by the Treasury's Foreign Investment Division.

It was formed in April 1976 and received 1,208 valid proposals in the period to end June 1977, of which 1,145 were approved and only seven rejected.

Despite the Government's efforts, however, capital inflow statistics show that there has been little increase in the amount of medium to long-term capital coming in since the change of government. The bulk of the \$A1.397bn. of funds which figure as net apparent capital inflow in 1976-77 was accounted for by short term funds which represented the unwinding of leads and lags and the return of speculative funds after the November 1976 devaluation.

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THE AUSTRALIAN banking system has been operating under a tight monetary rein for the past 12 months. The clamps, including curbs on lending and freezing of bank funds, were imposed because of Government concern at the high inflation rate, and the fear that too great a rate of monetary expansion could flow over into a rapid rise in prices. At the same time the Government wished to reduce the impact of the budget deficit on monetary creation by selling as many government securities as possible to the non-bank private sector. The attempt was largely successful with a non-bank take-up of around \$A1.1bn. or about 40 per cent. of the deficit.

The devaluation of the Australian dollar by 17.5 per cent. in November, 1976 brought a further tightening of the monetary screw to ensure that financial conditions did not become too easy.

Interest rates were increased and further restrictions were placed on lending. Significantly, for the first time the controls were extended to cover financial intermediaries other than the banks.

The trading banks have for years operated under the umbrella of the Reserve Bank—Australia's central bank. The Reserve has the power to control the banks' rate of lending, policies liquidity ratios under a "voluntary" and long standing agreement and influences interest rates. But, until recently the Bank had no power to control the other financial intermediaries, such as the finance companies, building societies, merchant banks and money market companies. Not surprisingly there has been a rapid growth in the "unofficial" segments, particularly among the finance companies. The banks themselves have sought to break out the controls over them by expanding into areas where the controls do not apply. In 1975 the Reserve was given its missing "teeth" with the Financial Corporations Act which gave it the same sort of powers over the non-bank intermediaries as it already had over the banks.

Until last November the Reserve had contented itself to use its new powers to collect detailed data and statistics from the market—information which it had not previously possessed.

During 1976-77 the major trading banks approved more than \$A5.4bn. in new or additional loans. Reflecting the curbs, however, their liquidity at the start of 1977-78 was lower than a year earlier. In June the banks' ratio of liquid assets and Government securities to deposits was 21.5 per cent. compared with 23.9 per cent. in June 1976. The banks are required under a convention with the Central Bank to maintain a minimum LGS ratio—currently 18 per cent.—so that their margin of "free" liquidity at the start of the current financial year was only 3.5 per cent.

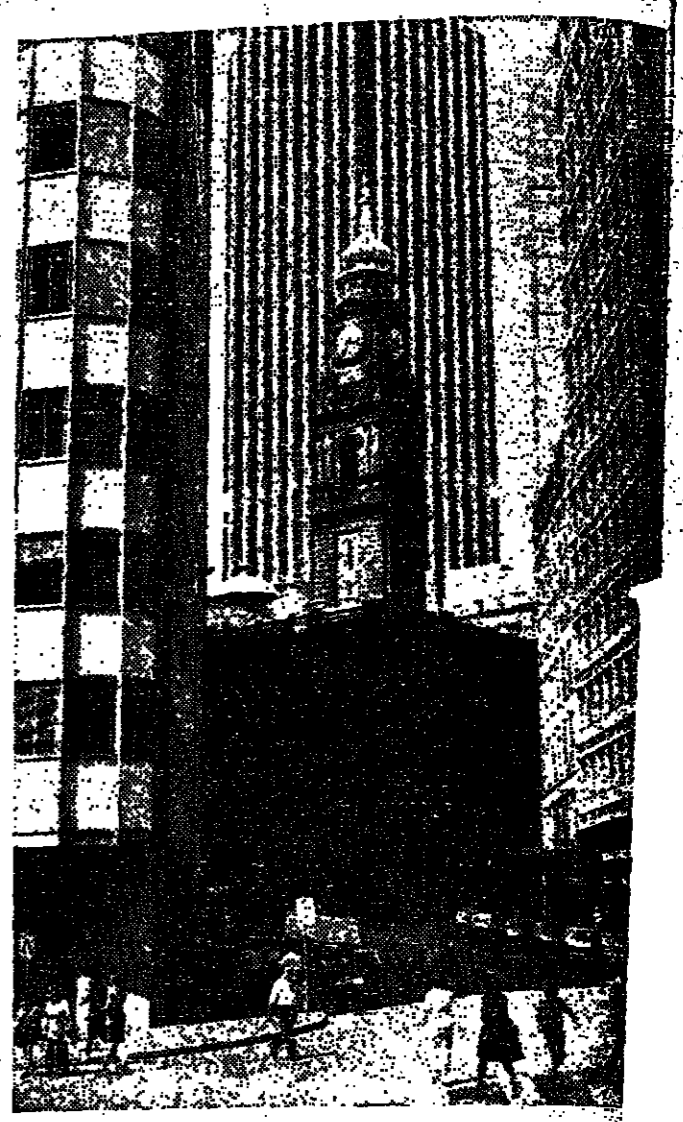
The banks are hopeful that a lower budget deficit target for 1977-78 of about \$A2.2bn. together with a good start to its borrowing programme—the July loan raised \$A610m. of which \$A375m. came from the non-bank sector—should make the Government's policy of containing monetary growth easier to achieve than last year.

The banks hope that the restraints, if not removed, will be at least eased, and that official interest rates are moved down from their current high level.

The banks are encouraged by the fact that the monetary authorities have begun to reverse their position on lending for housing. In May, the percentage of their deposits which the savings banks must keep in liquid assets and public securities was reduced from 50 per cent. to 45 per cent. In June the savings banks and building societies were told that some growth in new lending for housing would be acceptable. Then on August 16, when introducing the 1977-78 Federal Budget, the Treasurer, Philip Lynch, announced that the Reserve Bank had advised the banks, and "other financial institutions" to increase their lending for private home building particularly in badly affected states. At this stage it is being left to individual groups to determine their levels of lending.

The Government shares the banks' hopes that it will be able to reduce interest rates and ease monetary restrictions, but with effects from the devaluation still to work their way through and the continuing decline in Australia's balance of payments this may be difficult to achieve.

Despite the monetary curbs



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Moderating

Last November the financial intermediaries were called to the Reserve to seek their "co-operation" in moderating the rate of lending. The Reserve told the savings banks and building societies that a general upsurge in lending for housing would be inappropriate and informed the finance companies and money market groups that the pace of growth of their lending was neither sustainable nor consistent with the sound development of the economy. The representatives who attended the sessions with the Reserve were left in little doubt that they ran the risk of official controls if they chose to ignore the Central Bank's wishes.

While the other financial intermediaries had to share in the monetary tightening for the first time, the trading banks still feel that they were forced to bear a disproportionate share of the measures. Between November and February 1977 the percentage of bank deposits "frozen" in special statutory reserve deposits (SRDs) was increased from 5 per cent. to 10 per cent. The SRD ratio was eased slightly during the seasonal liquidity rundown from

Investing

The investing public provide the bulk of the financiers' funds for lending. The financiers feared that making heavy provisions for property losses would undermine public confidence and make it hard to continue to borrow from the public. They took the easier course and gambled that the property market would recover before they were forced to face up to losses. The financiers involved generally had to look to their "big brothers" for support. The U.S. giant Citicorp for example pumped \$A150m. into its Australian affiliate LAC (Holdings) in a dramatic

Rescue operation

rescue operation late in 1974 to prevent LAC's collapse. Citicorp has now bought out the public shareholding in LAC. Earlier this year CAGA finally faced up to the situation and made write-offs and provisions against property totalling \$A23m. At the same time it accelerated its programme of property sales, hoping to clear \$A36m. by the end of 1978. Soon after Associated Securities made property write-offs of \$A12m. and also accelerated its sales programme.

It was followed by the collapse of the Parkes Development Group, which had been in difficulties since 1974 but was generally considered to have weathered the worst. This prompted IAC to revise its situation and announce that a loss of \$A30m. was expected for the June half, which led Citi-

corp to make a bid for ownership of the company. The property market in a malaise. The depressed area is the commercial sector, where observers believe a supply will remain for five years, and perhaps years longer. Other areas as industrial, rural, and resort are also far buoyant. The private market is in the best health, but even this is patchy. In New South Wales, for example, where activity is more depressed in other states, the industry is faring poorly. The market is now seeking this sector through a of the monetary brake

James

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Importing

Originally called Hanes Import-Export Corporation, it began in 1947 as a one-man company importing and distributing photographic equipment. The premises were humble, consisting of one room over a Sydney newsagency. By 1956 the first manufacturing plant had been established and Hanimex became the first Australian company to specialise in the complete design and manufacture of photographic equipment.

To-day Hanimex sells a wide range of products through an extensive sales and distribution network and has subsidiaries operating in Australia, New Zealand, the U.K., the U.S.,

Shire.

They migrated again to Australia before World War II and he attended Sydney University, graduating with a degree in mechanical and electrical engineering in 1943. While working as a planning engineer with Standard Telephone and Cables, he started what was to become Hanimex as a spare-time interest.

Hanimex has benefited because it is in a leisure industry where consumer spending has remained strong. Hanes has also ensured that his organisation retains a flexibility between import and local assembly. It holds a number of major agencies, including Fuji, and several British lines.

Apart from Africa, Hanimex equipment is distributed throughout the world. The company has been quick to diversify into new areas when opportunities have arisen. It has a stake in the pocket calculator market in Australia and was one of the first groups to cash in on the bicycle boom of the past few years. It is now one of Australia's largest bicycle makers.

The group is very much a reflection of the pragmatic, entrepreneurial personality of its founder.

Hanes is a hard-headed businessman who keeps an iron grasp on the fundamentals of his operation. He is prepared to try anything in areas he understands and to cut activities ruthlessly if they show danger signs.

A few years ago he even went through his own version of the Grunwick dispute at Hanimex's main photo finishing laboratory in Sydney. This had been a non-union shop until Hanes agreed with the Miscellaneous Workers' Union that all employees at the laboratory should be unionised.

"I thought it would be better to work in with the union," Hanes says. "But as soon as we were unionised the night shift went on strike." Hanes told the day shift workers that he would guarantee their jobs if they did not go on strike, too, but if they did, he would close the plant. The strike was broken and the plant has never worked a regular night shift since.

Several of the workers who stayed have since left the union, John Walter Utz, managing director of Wormald, is a more urbane executive, although his company's track record is equally impressive. At 48, Utz is also tough-minded and extremely competitive. He is a nephew of Mr. Stanley Utz, a leading Sydney stockbroker and former federal treasurer of the Liberal Party. John Utz did a short stint in the Royal Australian Navy at the age of 16, then travelled before settling down as a fire extinguisher salesman for Wormald.

Two years after joining the company he was appointed manager of the Newcastle branch, which boomed, and in 1959 he returned to headquarters in Sydney as sales manager, rising to general manager of Wormald's parent company in 1964 and to the Board in 1965. Since then Wormald has shown a progres-

Ambitious.

The most ambitious made last year when he made a successful bid over bid for the \$200m and Platt group. Wormald is now the largest fire protection world. The \$400m Platt acquisition of the company's sales, which are expected to be around \$A260m. in financial year. Utz is also a nephew of Mr. Stanley Utz, a leading Sydney stockbroker and former federal treasurer of the Liberal Party. Wormald has made the Royal Australian Navy at the age of 16, then travelled before settling down as a fire extinguisher salesman for Wormald.

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Handwritten signature: J. J. ...

Sagging confidence among overseas investors

THE CONFIDENCE of overseas investors in Australia has been 1976, they have been major factors in the sagging confidence of overseas investors in Australia. The confidence of overseas investors in Australia has been 1976, they have been major factors in the sagging confidence of overseas investors in Australia.

Disrupt The President of the Australian Council of Trade Unions, Mr. Bob Hawke, was convinced by Japanese leaders as long ago as last January that they had real fears that strikes could disrupt the continuity of iron supplies to Japan. Hawke returned from Japan to warn Pilbara union leaders that the Japanese were considering diversifying their sources of supply. Despite his warning, the Mount Newman strike started three months later. This has made the Japanese wary of Australia as a source of supply, despite the fact that Australia is rich in nearly all of the resources that Japan needs.

Government also seems to have trouble understanding that compensation ought to be related to the amount of investment and outstanding liabilities rather than operating results. Dillingham has been vocal in its criticisms within the U.S.—to the point where Prime Minister Fraser was embarrassed by the subject being raised during his visit to the Brooks Club in New York this year. The Dillingham case has received wide circulation amongst U.S. banking and business circles, where the outcome of the Fraser Island negotiations are being awaited with interest. The longer the Government takes to decide compensation and the nearer the final settlement, the worse Australia's image will become as an investment area. The trouble with Fraser Island is that it is the first time the Government has conceded to conservationists by stopping an existing mine. It will set a precedent. Foreign investors who have been dismayed by the Government's insensitive handling of this issue have received no consolation from the other side of the political fence. The Australian Labour Party has been behaving just as erratically on the subject of uranium exports. Three years ago at the ALP Conference at Terrigal, the party voted solidly in favour of uranium exports. This year in Perth at the 1977 Conference called for a moratorium on Australian uranium mining and pledged that if it were returned to office it would repudiate any uranium export contracts entered into under the coalition government. This means that any foreign customer or investor in the Australian uranium industry has to reckon on the possibility that any future Labour Government could cut off uranium exports. This has led to a search for ways in which contracts can be made ironclad against future government intervention.

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Coal loader filling a truck at Avoca Colliery in northern New South Wales. Coal is a major Australian export.

Fierce competition in broking

Wormald has been a major force in the expansion of the industry. He has also been a major force in the expansion of the industry. He has also been a major force in the expansion of the industry.

Co. and has diversified into a stamp dealership. The flexibility and competitiveness being displayed by the brokers has made some inroads into the merchant banks' territory. The banks have retaliated by engaging in some block share trading, but on the whole the brokers appear to be winning the fight.

Challengers The challengers are McIntosh, Gryn, Hanson, McCaughan, Dyson, Randall and Co., and Cortis and Carr. They have been growing at such a pace that some of them may have already overtaken the traditional big three in volume. This is speculation, because individual firm's volume figures are not revealed, but Goodie's and Wore's both appear to have been suffering at the moment. It is not clear if this is due to the loss of the new business, or if it is due to the loss of the old business.

Efficient "It is certainly enabling much more efficient handling of orders," he said. However, the old rivalries still appear to be alive in the management of the two exchanges. This is best typified by their approach to computerisation. Each exchange has its own computer, although the rationale of joint operation would point towards a single computer system for the two. At present, the Sydney Stock Exchange is planning replacement of its old computer, which means that an opportunity to combine the two systems is being discarded. It will be an expensive piece of duplication, proving that it will be a long while yet before the Sydney-Melbourne jealousy is finally eradicated.

FOLLOW THE LEADERS!

Over \$1,500 million industrial investment in New South Wales announced in the past 18 months!

The Ford company with their recent \$82 million decision to move to Sydney, ICI, BHP, Unilever, etc. etc. in boardrooms. not only in Australia but throughout the world, the message is loud and clear: A confirmation of confidence in New South Wales — where big things continue to happen. Every week, announcements of new investments, new projects and major expansion plans. With strong emphasis on the vital area of heavy industry — the necessary foundation for all solid long-term growth and

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N.S.W.

The who and how much The list here isn't complete by a long shot — in fact 208 major projects have been announced in the past 18 months. But it does indicate the range of leading companies of all kinds which have said they'll be putting their money where their teeth are — in the State of New South Wales.

Over \$50 million Australian Iron & Steel Pty Ltd, Port Kembla \$97 m, Blue Circle Southern Cement Ltd, Berriema and Maldon \$72 m, BHP, Newcastle \$40 m, BHP, Minerals Division \$30 m, Ford Motor Company of Aust, Ingelburn \$82 m, ICI Australia Limited, Bôlshy \$60 m, R. W. Miller's Mount Thornley coal project \$55 m, Woodlawn Mines, near Goulburn \$75 m, Werkworth Coal Project, Hunter Valley \$70 m.

Between \$50 - \$10 million Alcan Australia Limited, Kurri Kurri \$45 m, Collex Oil (Aust.) Pty Ltd, Kurnell (Part of \$300 m, 10 year programme) \$28 m, CSR Limited, Sydney, Newcastle and Hunter Valley \$36 m, James Hardie & Co. Pty Ltd, Berriema \$10 m, Pirrali Cables Australia Ltd, Minto \$15 m, Shell Co. of Australia Ltd, Clyde refinery \$25 m, Unilever Aust. Pty Ltd, Minto \$15 m.

Between \$10 - \$1 million Abright & Wilson (Aust) Pty Ltd, Werther/Parl Park \$7 m, William Collins Publishing Group, Moss Vale \$4 m, Duxux Aust. Ltd, Caba/ita \$3 m, Johnson & Johnson Pty Ltd, Campbelltown \$4 m, Uncle Ben's of Australia Pty Ltd, Bathurst \$7 m.

T.S.

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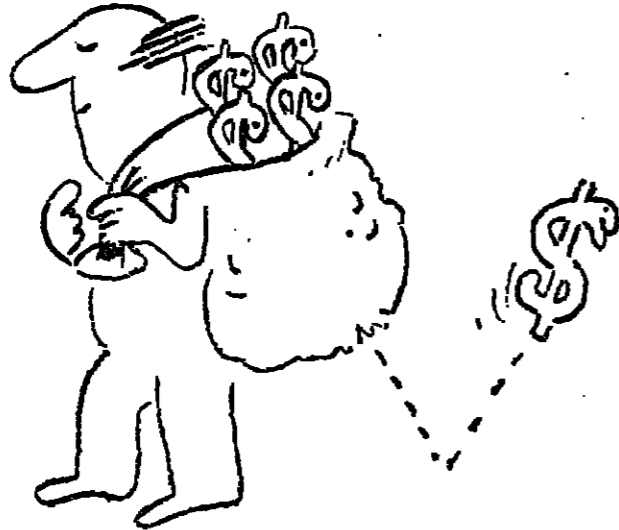
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AUSTRALIA XII

Immigrants make their mark

WHEN Malcolm Fraser's Government recently closed down a radio station used for "access" broadcasts by Melbourne's large immigrant community, crowds took to the streets in protest.

The station, set up by the Whitlam Labour government, had broadcast in more than 30 languages through the Australian Broadcasting Commission. The outcry came as something of a shock to the government at a time when it was embarking on a full-scale review of immigration policy in the light of the current economic recession. Obviously it had underestimated the extent to which Australia's immigrant communities have become politicised over recent years, and the demand for increased services they are now making. Indeed, few areas of Australian policy have undergone such radical changes during the 1970s as immigration.

After the brakes were applied drastically to the intake by the Whitlam Government, Mr. Fraser's Government is now seeking to release them again, albeit slowly. Both Fraser and his Immigration Minister, Michael MacKellar, are committed to the view that Australia should step up the intake again—largely for the same reasons as the Liberals' massive recruiting drive during the boom years of the 1950s and 1960s.

Mr. Fraser recently told a meeting of Young Liberals that one of the reasons for Australia's economic recession was the winding down of the immigration programme under Gough Whitlam, and that a strong programme was important to boost business expansion.

There is certainly no move to re-open the flood-gates; anything that threatened the jobs of Australian workers would be politically disastrous. Nearly two-thirds of Australia's 335,000 unemployed (5.4 per cent of the workforce) are aged between 15 and 24, and within this category the worst affected groups are immigrants.

Nearly 16 per cent of foreign-born males and 23 per cent of females in this age group are unemployed (compared with 15.1 per cent Australian-born males and 18 per cent of females).

Scale

Since large scale immigration began at the end of World War II, 3.5m immigrants have come to Australia, more than 40 per cent of them from Britain. The Whitlam Government's clampdown meant a dramatic fall in immigrant arrivals during the 1970s—from 170,000 in 1970-71 to 52,500 in 1975-76, a post war record low.

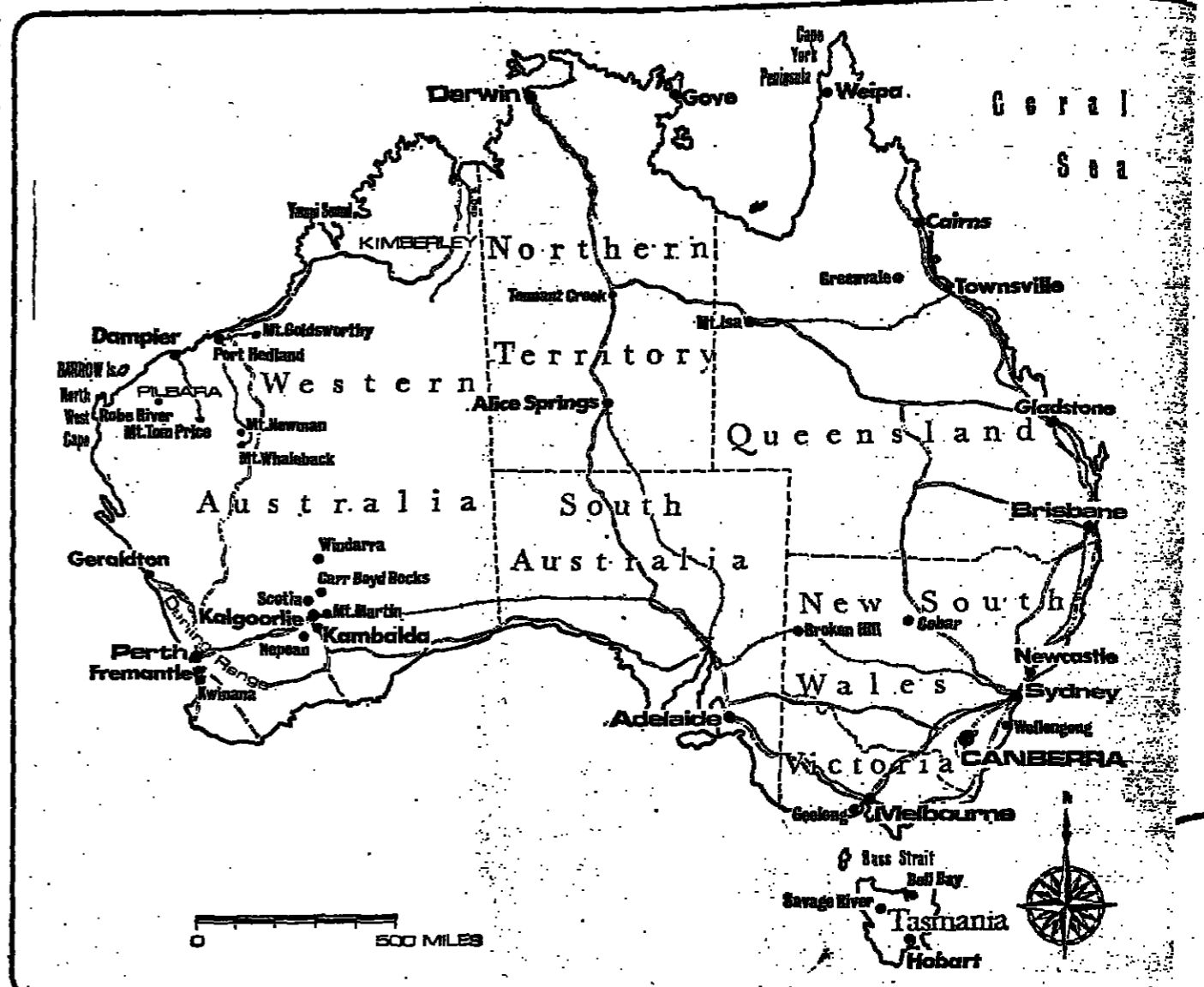
Strict criteria for entry were applied in 1974, partly because of growing unemployment and partly because the virtually unchecked inflow of unskilled workers from Southern Europe had given rise to a disaffected strata of "factory fodder," many of whom could not speak English after years in the country.

The three rules introduced by the Whitlam Government were family reunion, refugees based on humanitarian considerations, and the possession of job skills for which Australia had vacancies. This policy has been continued by the Liberals.

Whitlam also removed the ugly White Australia tag, introducing a policy of non-discrimination on the grounds of race, colour or nationality in the selection of migrants—as long as they could fulfil one of the above criteria. Unfortunately the tag has stuck in Asia, but in practice it has meant the arrival of 7,000 to 8,000 Asians a year, a steady 14 per cent of total intake since 1973.

The Immigration Department's current occupations list includes about 120 professional and skilled jobs, for which Australia needs people (and only two in the semi-skilled and none in the unskilled categories).

Intending immigrants will not be considered unless they have



the skills on the list (the only exceptions being those applying under the family reunion scheme, and refugees, where occupational tests are not applied). But even on the approved list, the requirements are often daunting: computer engineers, for instance, must have had at least five years' experience, while academics, research scientists and teachers must have firm job offers first. Doctors, by contrast, are in short supply in some parts of the country. Pharmacists and veterinarians are not on the current list.

With unemployment at record levels and public spending cuts biting hard, signs of social resentment are already beginning to surface. Many viewers of a recent ABC television programme on immigration were shocked at the tone of anti-immigrant remarks by some Australian-born participants, especially over the pressure on the job market.

The recent remarks by the deputy Country Party leader in the coalition government, Ian Sinclair, about deporting trouble-making British migrants have been greeted by migrant groups as gratuitously stirring up tension (and dismissed by, among others, the Australian Financial Review as "the most unadorned piece of Country Party primitivism imaginable.")

In framing its policy review, the government's thinking is based on a Green Paper produced recently by the Australian Population and Immigration Council, the first document of its kind in Australia. The public debate on the paper will result in a final Policy Paper early next year.

The green paper took a surprisingly optimistic view of Australia's future labour needs and suggested that in the short term the country should opt for a yearly migrant intake of about 100,000 (30,000 more than this year's target of 70,000, which seems unlikely to be met.) Given recent departure trends, this would give a net migration gain of 50,000 a year.

The paper showed how unrealistic earlier predictions are of a population of 20m. for Australia by the year 2001. The national fertility rate has fallen dramatically over the past 10 years, and is now close to zero population growth.

For the population to reach 20m. by the end of the century would need a gross migrant intake of 200,000 every year from now on, a course the green paper says would be unacceptable in the immediate future. But it should not be ruled out, it suggests, later on because of the expected labour shortages of the 1980s and 1990s.

The Government is now faced with a whole new set of conditions. How much weight should be given to humanitarian considerations—family reunion and further refugee intakes, especially from Indo-China—over labour needs? How many more non-European immigrants can be absorbed without the threat of major social tension—something of which Australia has so far been remarkably

The Jackson report on manufacturing 18 months ago pinpointed the concentration on factory fodder-type labour, and the multi-cultural industrial problems it produced, as a major reason for the malaise of Australia's manufacturing industries.

The traditional migrant sources themselves are drying up: as Australia's relative prosperity declines, the incentives to uproot from family life for something better 12,000 miles away are much less. Western Europe's guest worker programme has also diverted many potential migrants, especially from Greece and Turkey.

The migrant communities have contributed immeasurably to the cultural diversity (and culinary richness) of Australian urban living over the past 30 years. Now they are becoming more politically organised and demanding after the attention paid to them during the Whitlam years, with expanded welfare and interpreter services and the introduction of ethnic radio.

The green paper has produced a chorus of criticism over its failure to come to terms with the very real social problems of

migrants that are too often hidden away. Indeed, the Australian Population and Immigration Council's own study last year on a decade of migrant settlement revealed that 23 per cent of migrant family heads were working in Australia in jobs at lower levels of skill than they held in their home countries.

Dissatisfied

More than 40 per cent of full-time migrant workers were dissatisfied with their employment. In both cases, language barriers were to blame.

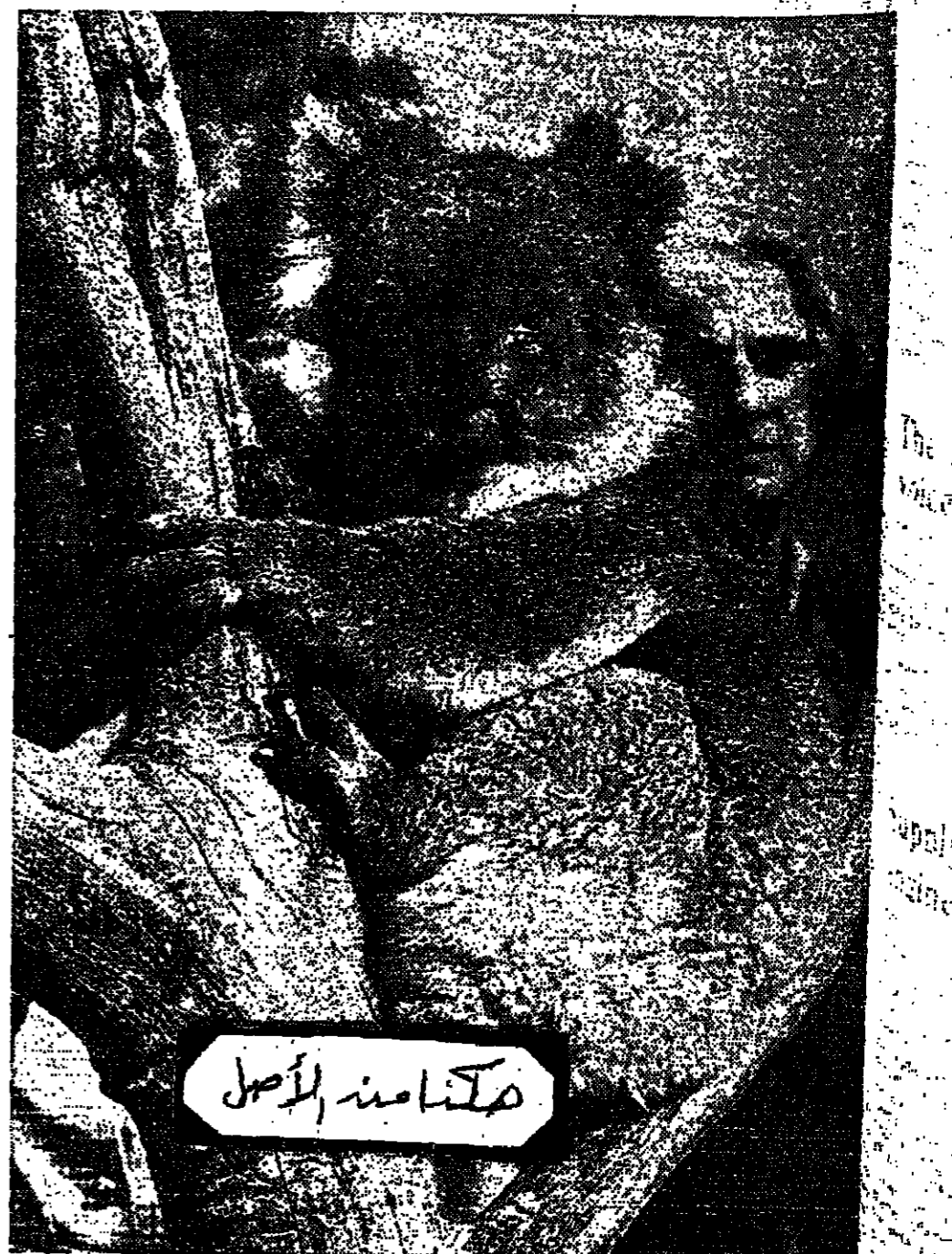
Dr. Conn Constantinou, vice-president of the Australian-Greek Welfare Society, recently told a Victorian state government inquiry that about 30 per cent of Melbourne's immigrants were doomed to permanent poverty because of the lack of English language courses in factories (Melbourne has the third biggest Greek speaking community outside Athens and Thessalonika).

The Fraser Government wants to avoid what it sees as political divisions developing among the immigrant groups, especially those from Eastern Europe and

the Baltic States. This is the real reason behind the curbing of the Melbourne radio station that it was a constant exercise. The pruning of migrant welfare services brought angry reactions already a political issue against the Liberals is among migrants.

Meanwhile, the government policy planners are looking to the most likely sources of new migrants; they see coming from South and East Asia and South America. While 65 per cent of British migrants are currently rejected on occupational grounds, the government is anxious to reverse the decision of the Whitlam years. Britain is Australia's top source of workers, and this year is to supply 40 per cent of nationals and 48 per cent of workers migrating to the country. As other sources decline, the influx coming from Britain may increase.

Robert Mill



Among the attractions greeting immigrants arriving in Australia is the indigenous wildlife, like this koala bear.

ECONOMIC VIEWPOINT

What has gone wrong with economics

THE SWEDISH devaluation at the week-end, and the deepening economic crisis in the whole Scandinavian area (with the lucky exception of Norway) will seem to many progressive observers one of the saddest results of the whole four-year economic crisis. The model economies have now gone the way of the economic models, and the outlook for everyone else seems noticeably bleaker.

As bad as all that, and that they may be worse in other countries than here. We still lack more solid ground for hope. For the disillusioned commentator it is very tempting to turn one's back on the whole mess that economics has become and to turn to pottery or subsistence farming as a more sensible way of passing the time; but it is in fact very necessary to understand what has gone wrong with economic reasoning if it is ever to be put right.

The fact that they have to war with growth of money and decided that this was the missing factor. Unfortunately monetarism rejects only one of the faults of the more orthodox approach, and actually exaggerates the rest. The central monetarist thesis is at least as intellectually barren as the relationships built into any control model; and they are, in a different way, just as much haunted by the ghosts of past policies.

The central difficulty, which is one which few monetarists seem to have recognised, is that they try to draw lessons for the future control of the money supply from a history in which it was not directly controlled. But if the money supply was indeed a useful warning of trouble to come when it was uncontrolled, will it function in the same helpful way when it is controlled? Does it really make an overwhelming differ-

ence to the economy, in other words, if some borrowers are forced to seek finance outside the banking system? It seems very doubtful. At best, we may in a few years be able to begin to understand the relationship between a controlled money supply and the economy. At worst, the whole exercise may prove as futile as trying to check a runaway car by jamming your finger into the speedometer.

Even if monetary analysis yielded reliable economic forecasts, it would not be a saving modesty. Even in its own modest terms, though, monetarism is just another predictive model, and if one hopes to see it, in its turn, come untraced, it is not from a wish to see the fashionable discredited, but in a hope which is growing in the economics profession itself that the whole "scientific" approach—that statistical analysis known as positive economics—will become increasingly discredited, so that more attention can be paid to neglected fundamentals.

The modeller themselves are trying to remedy past errors by seeking new evidence and working to a longer time-scale. In the latest National Institute Review, for example, the forecasters confess (and the National Institute has always earned high marks for frank-

ness) that they now give more weight to CBI surveys of investment intentions than to their own investment equation. Wynne Godley's group at Cambridge has scored some notable forecasting coups by developing a model which looks forward five years rather than one, and thus both attains new insights and avoids some of the errors due to short-sightedness. Other forecasters are showing a new interest in such hoary old distinctions as that between the capital goods cycle and the consumer goods cycle.

For the disillusioned commentator it is very tempting to turn one's back on the whole mess that economics has become . . . but it is in fact very necessary to understand what has gone wrong with economic reasoning if it is ever to be put right. The trouble certainly did not start with the crisis of 1973. An improvement can be achieved if the warring economic factions spend less time denouncing each other and rather more in critical self-examination, for perhaps the most striking fact which meets the critical eye is that each approach is glaringly deficient in its own terms.

Meteorological The orthodox which reigned until recently is commonly described as neo-Keynesian, but is perhaps more helpfully described as a meteorological approach to economics. It is essentially marked by a heavy reliance on statistics, and aims to produce forecasts derived from them. This description has, of course, very little to do with the intellectual ancestry of this approach, but is a reasonably accurate description of the way most applied economists spend their time, and of the product they purport to market.

After the event This is all helpful and constructive, but it does not look conclusive. Some important quantities—financial confidence or non-price competitiveness—can still be measured only after the event. Some processes, vaguely understood as "the long cycle," work themselves out over periods much longer than five years. Economic models may again become modestly useful instead of positively misleading, but we will not enjoy the full benefits of our present discontents unless users of economic forecasts are paid to do—realise that forecasts are not the sole or even the most useful result to be achieved from economic study. What we need is better understanding of how modern economic organisations work and better—even if committed, value-laden and unscientific—policy advice. That is the kind of work the Swedes used so well for so long; and, I am sentimentally enough to hope, will go again.

Letters to the Editor

Trade union motives

From the President, Association of Professional Scientists and Technologists. Sir—The recent press statement by ASTMS concerning APST will inevitably prompt intelligent people to ask whether ASTMS is motivated by a genuine concern for good industrial relations and for the integrity of the trade union movement or by a simple desire for power, irrespective of the interests of employees and trade union members.

The shrinking pound

From Mr. J. A. Redman. Sir—In announcing the printing of a new, smaller pound note, the Bank of England is surely missing an opportunity of introducing a currency really designed to fit our times. Should not the new notes be printed in sheets with orthogonal lines of perforations, and with adhesive (mint-flavoured, naturally) on one side? It cannot be very long, and as it soon will be in colour, and as it soon will be purchasing power. Against the charge that it was just printing money, the Bank could then counter that it was actually helping to stamp out inflation.

Supply of apples

From J. H. Merrick. Sir—P. Craven (August 28) makes an interesting point. I suggest however that while the EEC would appear to have reasonable supplies as a whole, the U.K. has not many districts which are well below normal, with some orchards and gardens without any fruit at all. Such a serious shortage in one member country within the EEC is unfortunately unlikely to be adequately topped up by imports without suppliers loading the price. Likewise those U.K. growers fortunate enough to have a crop can hardly be blamed if they are also sensitive to the situation.

Upholding the law

From the Chairman, British Legal Association. Sir—It was eminently predictable that someone in "high quarters" would attempt to silence Lord Denning, whose independence and rugged determination to uphold the rule of law offends those namby-pamby persons, in politics and elsewhere, who prefer the machinations of the corporate State and its manifold opportunities for the bully to the concept of justice for everybody, even the meanest individual, according to law.

Payment from abroad

From Mr. E. Greenwood. Sir—I can confirm Mr. Kimberley's experiences (August 27) of delayed payments from abroad. We have regular payments coming from the West Indies and three or four years ago the time taken to remit by air mail was five to six days. To-day the time taken is rarely less than 10 days and sometimes up to 15 days before our account is credited with the drafts.

Supply of engineers

From Mr. S. A. Gregory. Sir—As a chartered engineer I find that an interesting feature of the so-called Aston report on professional engineering (to be presented to this year's BA) is the apparent neglect of the market message. Salary levels are low (from before the wage-freezing pressures) and certain kinds of engineer professional are not in great demand.

The Liberal voice

From Mr. T. Alex Wainwright. Sir—I haven't heard Mr. J. Paxon, the Liberal spokesman, taking credit for the 1,833,000 unemployed. Has he lost his voice? T. Alex Wainwright, "Pippins", 8, Hermitage Drive, Yewford, Berkshire.

Supply of apples

From J. H. Merrick. Sir—P. Craven (August 28) makes an interesting point. I suggest however that while the EEC would appear to have reasonable supplies as a whole, the U.K. has not many districts which are well below normal, with some orchards and gardens without any fruit at all. Such a serious shortage in one member country within the EEC is unfortunately unlikely to be adequately topped up by imports without suppliers loading the price.

Town Hall finances

From Mr. John Gouldbourn. Sir—Lex on town hall finance to a new tune (August 30) is technically correct in its facts. One thing that may be overlooked however is the fact of the dance. At present an ever-crowded "bank" of the blind mentally slow, plain counting and lazy all to floor together.

Post Office monopoly

From Mr. Mark Brady. Sir—If, as Mr. Taylor argues (August 28), the country's communications depends upon an efficient national telephone network and mail service, it is surely all the more necessary that the monopoly powers of the Post Office be totally repealed and unhampered free enterprise enabled to offer competitive

Other people's money

From Mr. Henry L. Kirby. Sir—Mr. R. Kimberley's letter (August 27) about the bank's clandestine use of other people's money prompts me to relate an experience which supports his views. My father died suddenly, a few years ago, having in his current account a credit balance of several hundred pounds. In order to clear his personal debts and pay the funeral expenses I negotiated a modest overdraft with the bank until probate was granted.

Other people's money

Mark Brady, 3 Elmstone Court, Constitution Hill, Woking, Surrey. Sir—The fact is that a considerable measure of prosperity would still be denied us if private initiative and capital were confined to providing only the ancillary services which, I would suggest, are in fact more important than Mr. Taylor makes out.

To-day's Events. British Association for the Advancement of Science annual meeting continues, Aston University Birmingham (until September 7). Edinburgh International Festival (until September 10). COMPANY RESULTS. British Petroleum Company (half-year). Alexander Howden Group (half-year). Imperial Chemical Industries (half-year). Matthews Wrightson Holdings (half-year). COMPANY MEETINGS. Caspows Holdings (half-year). Harrogate Green Shield Junior Hardcourt Championships of Great Britain, Wimbledon.

H & R Johnson-Richards Tiles Ltd. Manufacturers of CRISTAL Ceramic Wall Tiles. Review by Mr. Derek H. Johnson. Organising ability shown by our partners in this operation, and would also pay tribute to those of our own staff who are on long-term commitment to the new company. We hope to be able in 1978 to report substantial progress in the building up of production and sales in South East Asia.

Handwritten signature or mark at the bottom of the page.

Weir tops £4½m. so far and still improving

WEIR GROUP has reported a better than average increase in turnover and a corresponding rise in profits. The company, which is the second largest in the world, has reported a turnover of £4,500,000 for the first half of 1977, compared with £4,300,000 for the same period last year. The profit for the period was £625,000, or 13.7 per cent of turnover, compared with £570,000, or 13.2 per cent, for the corresponding period in 1976.

The chairman, Sir Oswald Davies, said that the company had a "strong and profitable performance" and that the directors expected the second half to continue this trend. He said that the company's operations were well diversified, with a strong presence in the industrial, agricultural and construction sectors.

The group's turnover was up 4.7 per cent on the previous year, and the profit was up 9.7 per cent. The company's operations were well diversified, with a strong presence in the industrial, agricultural and construction sectors.

English & Overseas recovery

ENGLISH & OVERSEAS INVESTMENTS has reported a recovery in its profits, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

The chairman, Sir Gerald Hines, said that the company had a "very satisfactory performance" and that the directors expected the second half to continue this trend. He said that the company's operations were well diversified, with a strong presence in the industrial, agricultural and construction sectors.

T. Robison profit up at halfway

T. ROBISON has reported a profit up at halfway, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

Pearl Assurance growth slows

PEARL ASSURANCE has reported a slowdown in its growth, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

Polymer poised for more growth

POLYMER has reported a poised for more growth, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

Lease a Princess

FROM ONLY 22.62 PER WEEK

Reduce capital outlay
Improve cash flow
Enhance tax allowances

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01 366-2131 Telex: 923830

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Leicester
Worcester
Birmingham
Newport

FAIRCLOUGH

	6 months ended 30th June, 1977	6 months ended 30th June, 1976	12 months ended 31st December, 1976
Turnover	88,049	80,319	163,471
Profit before taxation	3,056	2,413	5,954
Profit after taxation	1,467	1,158	2,828
Dividend per Ordinary share (basic)	3.921p	3.125p	7.650p
Dividend per Ordinary share	1.100p	1.000p	2.250p

Charge for taxation for 1977 is estimated and based on Corporation Tax of 52% (1976 - 52%)
Earnings and Dividends per Share for 1976 have been adjusted for the 1977 Capitalization issue.

Statement of the Chairman, Mr. Oswald Davies, C.B.E., D.C.M., J.P.

The Group's forward workload in the United Kingdom has been maintained. Good progress is being made with our major work in Saudi Arabia. Further expansion has taken place overseas, with additional work in Kenya and Oman.

The Group's liquid resources have been kept at a high level.

Group Construction Group Limited - Sandway House - Northwich - Cheshire
Telephone: Sandway-883885 Telex: 669789
CIVIL ENGINEERING, BUILDING, TUNNELLING, SURFACE MINING
MECHANICAL ENGINEERING

Johnson Matthey moving ahead

JOHNSON MATTHEY has reported a strong performance, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

The chairman, Sir Robert Hunt, said that the company had a "very satisfactory performance" and that the directors expected the second half to continue this trend. He said that the company's operations were well diversified, with a strong presence in the industrial, agricultural and construction sectors.

Sunbeam Wolsey recovering

SUNBEAM WOLSEY has reported a recovering, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

H. & J. Quick up halfway to £0.45m.

H. & J. QUICK has reported an up halfway to £0.45m, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

Royal Worcester slips to £0.51m. at halfway

ROYAL WORCESTER has reported a slips to £0.51m at halfway, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

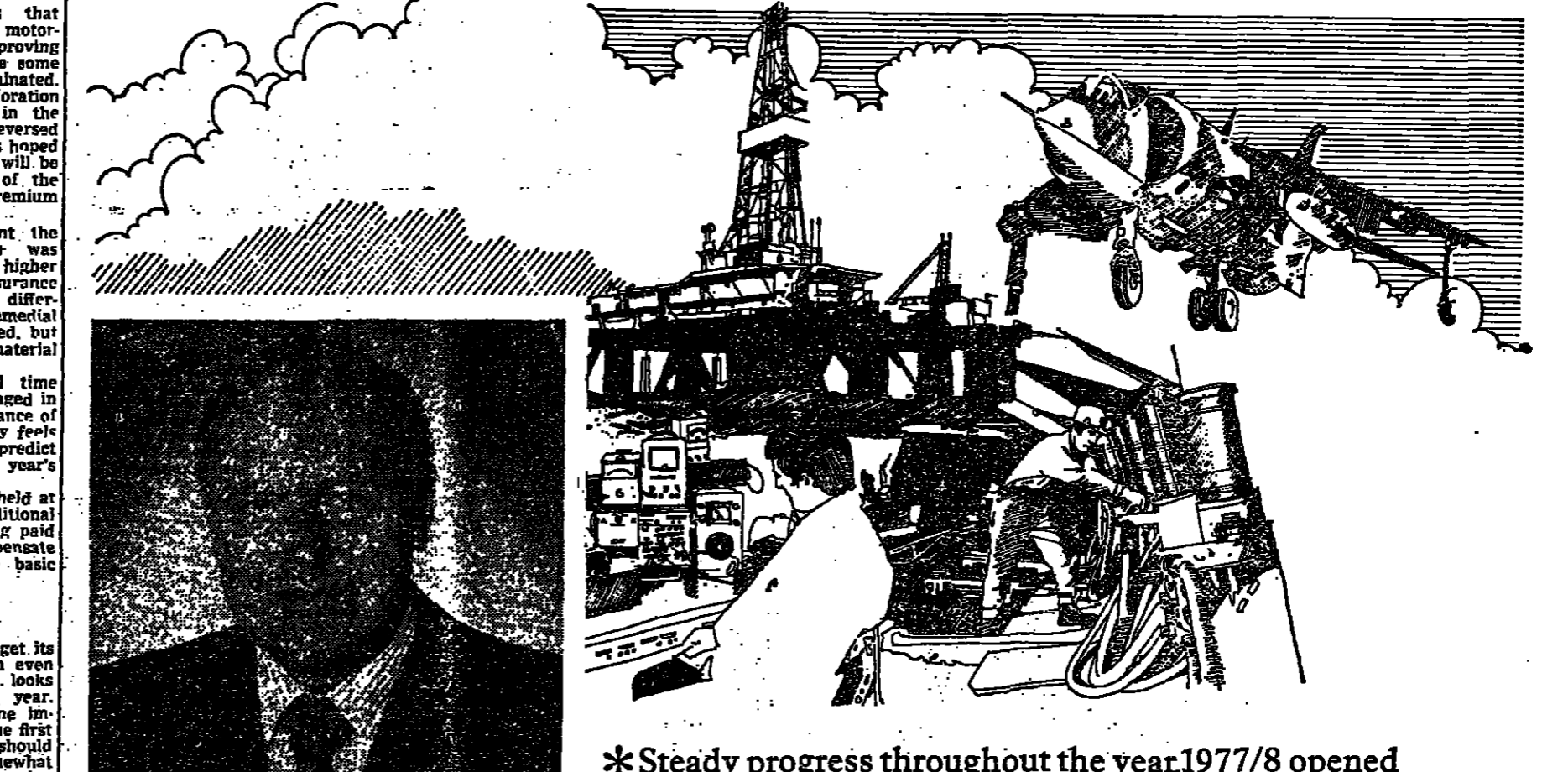
BOARD MEETINGS

Various board meetings were held across the country, including those of Royal Worcester, Sunbeam Wolsey, and Johnson Matthey. The meetings discussed the company's performance and future plans.

Nu-Swift expects to top £1m.

NU-SWIFT expects to top £1m, with a turnover of £11,300,000 for the first half of 1977, compared with £10,500,000 for the same period last year. The profit for the period was £2,200,000, or 19.5 per cent of turnover, compared with £1,800,000, or 17.2 per cent, for the corresponding period in 1976.

SUSTAINED GROWTH WORLDWIDE



Robert Hunt, C.B.E. Chairman and Chief Executive

- * Steady progress throughout the year 1977/8 opened with increased level of orders - particularly for export.
- * Group turnover increased to £136 million.
- * Export and overseas sales increased to one third - half to the Americas.
- * Aviation turnover increased by 24%.
- * The mining division maintained its technological lead.

Overseas activities increasing particularly in the Americas and Australia.
Demand strengthened for industrial hydraulic products.
Exports now 35%. Sales of seals and mouldings increased by 30%.

5 Years of Growth

TURNOVER (£,000)

Overseas & Export At home

1977	44,826
1976	38,991
1975	32,823
1974	34,098
1973	19,413
1972	51,751
1971	16,740
1970	27,139

Our Results in Brief

	1976/77	1975/76
Turnover	£136,308,000	£121,814,000
Profit after interest but before tax	£ 18,076,000	£ 13,136,000
Profit after tax	£ 8,852,000	£ 6,027,000
Profit after tax per share	15.6p	10.7p
Dividend per share	4.2p	3.6p
Times covered by profit after tax	3.7	3.0

The Annual General Meeting takes place at the registered office, Arle Court, Cheltenham, on 5th October at 11.00 am. Copies of the Report and Accounts available from the Company Secretary.

OWDITY

Dowty Group, Cheltenham, England.

QUEEN'S AWARD
1967 1968 1973 1974 1975

Fairclough rises to £3.06m. at six months

TURNOVER increased from £2.2m to £3.06m at six months... The interim dividend is 1.5p... The directors have recommended a dividend of 1.5p per share...

Progress continues at Grovebell... Pre-tax profits of Grovebell Group, Vauxhall and Bedford... The interim dividend is 1.5p per share...

Leisure Caravan... Leisure Caravan Parks is forecasting profits for the year to February 28, 1978... The interim dividend is 1.5p per share...

Good start by Walter Alexander... The results of Walter Alexander for the first three months of the current year are, on the whole, in line with budgets...

MONEY MARKET

Interest rates easier

Instrument	Rate
Bank of England Minimum Lending Rate	7 per cent
Three-month Treasury bills	11.75 per cent
Four-month Treasury bills	12.00 per cent
Three-month bank bills	11.75 per cent
Four-month bank bills	12.00 per cent

Cyprus Mines finds new copper process

AMERICA'S Cyprus Mines claims to have developed a new copper production process... The process involves leaching of copper concentrates in a ferric chloride solution...

Canadian round-up... Our Man in Toronto, John Soanich, has been busy rounding-up the latest state of mining news from Canada... The process involves leaching of copper concentrates in a ferric chloride solution...

Warburg to act for W. Mining on Yeelirie... Although Western Mining's chairman has warned that the lifting of Australia's ban on the mining and export of uranium still means that the potential producers face lengthy formalities before they receive permission to go ahead, the company is losing no time in making its preparations...

EEC sells more sugar... THE EEC Commission authorised sales of 51,000 tonnes of white sugar at its weekly export tender... The price range of between 13 and 23 cents was disclosed by Sr. Jorge Brioso, executive secretary of the Group of Latin American and Caribbean Sugar Exporting Countries...

GENERAL THE GENERAL ENGINEERING CO. (RADCLIFFE) LTD

The 40th Annual General Meeting of the Company was held at Radcliffe, Manchester on 31st August, 1977... The results show the Group's resilience to special factors... Order levels continue to rise and with new product developments the future looks promising.

Group Results in Brief:

	1977	1976
Turnover	£2,241	£2,000
Trading Profit	823	1,234
Interest	214	247
Taxation	169	477
Extraordinary items	-	119
Profit after tax	440	441
Earnings per share	4.2p	5.4p
Dividend per share	1.07p	0.97p
Tangible assets per share	31p	21p

RHODESIAN CABLES LIMITED

Notice is hereby given that a final dividend (No. 26) in respect of the financial year ended 30th June, 1977, of 45 cents per Ordinary Share making a total for the year of 60 cents (year ended 30th June, 1976, 60 cents) has been declared by the Directors payable to shareholders registered in the books of the Company at the close of business on 23rd September, 1977. The dividend will be paid on or about 28th October, 1977.

	Year ended 30.6.77	Year ended 30.6.76
Pre-tax Profit	1 461 200	1 772 200
Taxation	634 800	731 600
After-Tax Profit	826 400	1 040 600

Notice is hereby given that a final dividend (No. 26) in respect of the financial year ended 30th June, 1977, of 45 cents per Ordinary Share making a total for the year of 60 cents (year ended 30th June, 1976, 60 cents) has been declared by the Directors payable to shareholders registered in the books of the Company at the close of business on 23rd September, 1977. The dividend will be paid on or about 28th October, 1977.

The Annual Report will be posted to shareholders on 23rd September 1977 and Annual General Meeting will be held on 20th October 1977.

CITY INVESTING COMPANY

100,000 UNITS CONSISTING OF


\$100,000,000 9% SINKING FUND DEBENTURES DUE 1997

WITH

800,000 SHARES OF COMMON STOCK

Offered in Units, each consisting of one Debenture in the principal amount of \$1,000 and 8 shares of Common Stock, par value \$1.25 per share. The Debentures and Common Stock will not be separately transferable prior to October 1, 1977, or such earlier date as may be determined by City Investing Company with the consent of the Representatives of the Underwriters.

Blyth Eastman Dillon & Co. Paine, Webber, Jackson & Curtis
The Halsey Stuart Shields Donaldson, Luffin & Jenrette Drexel Burnham Lambert
Goldman, Sachs & Co. Hornblower, Weeks, Noyes & Trask E. F. Hutton & Company Inc.
Morgan, Peabody & Co. Lehman Brothers Loeb Rhoades & Co. Inc.
Merrill Lynch, Pierce, Fenner & Smith Smith Barney, Harris Upham & Co. Wertheim & Co., Inc.
Rothschild, Unterberg, Towbin Shearson Hayden Stone Inc. Warburg Paribas Becker



"I haven't been so happy for years."

For many elderly people, going into a "Home" seems like the end of the world. Nevertheless, our headline is a typical quotation from one of our residents' letters.

The Distressed Gentlefolk's Aid Association runs a particular type of Home for a particular type of person. Not just what is implied by the "Gentlefolk" in our title but anyone, man or woman, who will "fit-in" with our other residents.

We have 13 Homes in all. Some Residential, some full Nursing Homes. Anyone who needs a Home but who lacks the necessary financial resources can apply to the DGAA for help.

Places are short, because money is short. Your donation is urgently required. And please, do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON LONDON W8 4AQ
"Help them grow old with dignity"

TELEFUSION

Summary of Results

Year to April 1977	1977	1976
Turnover ex V.A.T.	£62.0	£44.0
Profit before Taxation	£3.1	£1.1
Cash Flow	£9.4	£7.7
Earnings per Share	£6.4p	£1.2p

Final Dividend of 0.620273p per share recommended which together with interim of 0.55p represents the maximum permissible under Government dividend restraint.

The Annual Report will be posted to shareholders on 23rd September 1977 and Annual General Meeting will be held on 20th October 1977.

PRESTON NORTH ROAD - BLACKPOOL - FY4 4QY

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Arab may buy Condotte d'Acqua

BY PAUL BETTS

THERE IS growing speculation here that Saudi Arabian interests are behind the sale of the Italian state-controlled civil engineering company, Condotte d'Acqua, to so far unnamed buyers.

The sale of Condotte d'Acqua in effect represents an unprecedented example of the transfer of a profitable Italian state-controlled company to the private sector. It also forms part of a wider plan to salvage the troubled Societa Generale Immobiliare (SGI), Italy's largest private construction group, formerly managed by the financier Sig. Michele Sindona.

Corbi, tentative agreement for the sale of the 51.78 per cent state share in the engineering group has been made. The agreement still needs official Government approval, and the Board of the giant state holding company, IRI, which controls Condotte d'Acqua, is scheduled to meet next Monday to discuss the deal.

Secretary, Mr. John Connolly, is involved in the deal. Mr. Pharoah, the paper points out, is one of Saudi Arabia's leading building entrepreneurs, and already has interests in Italy following the purchase of the former Montedison construction company, the Rome-based Incasomma.

EUROBONDS

Barclays and Beecham

BY MARY CAMPBELL

ATTENTION TO-DAY will be concentrated on the Barclays and Beecham issues, both of which trade for the first time this morning. Barclays was priced at par yesterday afternoon with the coupon set at 8 1/2 per cent. It had earlier been cut from the initially indicated 8 1/2 per cent and other terms unchanged.

night at par on the 8 1/2 per cent coupon as indicated. The conversion price for the bonds has been set at 68 1/2, a premium of 11.6 per cent over Tuesday's closing price of the Eurobond moved from a worst level of 95 1/2 bid to about 96 1/2 yesterday, with some bidding at slightly above this level. Dealers Beecham was priced on Tuesday

stock market which pushed the price of the underlying stock up to 62 1/2. ICI's share price moved up to 43 1/2p yesterday from 42 1/2p on Friday. The price of the Eurobond moved from a worst level of 95 1/2 bid to about 96 1/2 yesterday, with some bidding at slightly above this level. Dealers Beecham was priced on Tuesday

Suntory sees market growing by 15% a year

By Kenneth Gooding THE WHISKY market in Japan is expected to grow around 15 per cent a year for the next five years, says Mr. Keizo Saji, chairman of Board and President of Suntory, the major Japanese whisky group, in London yesterday.

Saleninvest's first half loss

BY WILLIAM DULLFORCE

SALENINVEST, the Swedish shipping group, reports a loss of Kr.78m. (£9.2m.) for the first half of 1977 and forecasts a continued depression in the second half. Turnover was marginally higher at Kr.1,085m. (£124m.).

The group's progressive profit decline is due to the continuing depression on the tanker and dry cargo markets. At the end of June it had five ships laid up and another 11 idle. Mr. Sture Odner, the managing director and current chairman of the Swedish Shipowners' Association, warns that the group will have to consider selling off assets, unless the situation for Swedish shipping improves.

be in no danger, an important factor since, although it remains a family concern, Saleninvest has obtained a Stockholm Exchange listing this year. The increase in profit is due to the improvement in income on financial transactions from a loss of Kr.2.1m. in the first half of 1976 to a gain of Kr.7.2m. in the first six months of this year. Over the 12 months to June 30 group liquidity rose from Kr.45m. to Kr.617m.

Fincantieri loss up to L38.68bn.

By Our Own Correspondent

FINCIANTIERI, the shipbuilding holding company of the Italian state IRI group, posted losses of L38.68bn. (about £5bn.) for the year ending April 30, the company reported today. In its annual report, the company said that Italy's current economic problems, including inflation and the high cost of labour, money and raw materials, had badly hit the country's shipyards. Last year, the report added, Fincantieri had no orders from the international market.

Svenska Flakt profits ahead

PERFORMING against the current trend in Swedish business, Svenska Flakt, the industrial ventilation and pollution control group, improved first-half earnings by Kr.1.9m. to Kr.35.3m. (£4.15m.). Sales grew by 1.6 per cent, to Kr.927m. (£110m.).

INDEPENDENT AUDITORS

INDEPENDENT AUDITORS in the U.S. are now required to advise a company's senior management and the Board of Directors or audit committee of any material weaknesses in the firm's internal accounting control system in their attention, the American Institute of Certified Public Accountants announced, reports Reuter.

Siliconix

SILICONIX INC. confirmed reports that Honeywell Inc. is the company that offered to acquire it for about \$19m. or \$10 a share, reports Reuter from California. Siliconix had previously reported the offer but declined to name the company bidding for it.

GAC \$135m. suit

BANKRUPTCY trustees of GAC Corporation have filed suit seeking \$135m. in damages against four of the company's former officers, reports AP-DJ from Miami.

New ruling posted for auditors

NEW YORK, August 31. contract covers work to be performed until mid 1978 but American Bell will be involved in the programme for ten years. It entered the brewing business 15 years ago and now has 5 per cent of the Japanese market and more recently 5 years ago - started a soft drink and fruit juice operation alongside its food retail interests.

SEC hearings on corporate affairs

THE SEC said it plans to open hearings on September 29 on ways to involve shareholders more deeply in the affairs of companies, reports AP-DJ from Washington. The SEC said specifically that it wants public comment on the desirability of legislation that would establish minimum Federal standards of corporate conduct and shareholders rights.

Bell contract

American Bell International has been awarded a \$141m. contract by the Imperial Government of Iran to start implementation of a telecommunications development programme. The

Dividend cut at Primrose

BY RICHARD ROLFE

JOHANNESBURG, August 31.

PRELIMINARY figures from more than eight cents," indicating a cut in the total from 24 cents to 16 cents. Since then the shares have fallen as low as 87 cents, putting Primrose on a prospective yield of 18.4 per cent even on the lower figure.

The results put out today show that the final dividend has had to be cut to 21 cents to make a total of 104 cents. The margin of the reduction suggests current year earnings prospects are not encouraging.

20 per cent, and price cutting. The effect on Primrose's earnings has been severe. It has not disclosed the pre-tax figure for the second half year nor the rate of taxation, but earnings per share are down from 53 cents to 19 cents whereas the interim statement shows a per share figure at that point of 17.5 cents.

Advertisement for NITTO ELECTRIC INDUSTRIAL CO., LTD. U.S. \$15,000,000 6 per cent. Convertible Bonds 1992. Includes list of international banks and agents.

50% rise for Naarden

BY MICHAEL VAN OS

AMSTERDAM, August 31

NAARDEN International, the Dutch scents and fragrances producer, has continued the upward trend of profits in the first half of this year. Net profits were up nearly 50 per cent, to Fl.3.8m. from Fl.2.5m. in the same half of last year on sales that had gone up 4.3 per cent, to Fl.218.7m. in its half-year statement published today.

Naarden said that as a result of a better capacity utilisation and a slight improvement of margins, operating profits had improved by Fl.1.9m. to Fl.14.9m. in the first half. Net profit per share has risen to Fl.1.82, which is up over 47 per cent. The statement showed pre-tax profits to have risen to Fl.7.8m. (Fl.5.5m.), while after-tax profits were up to Fl.3.6m. (Fl.2.3m.).

WORLDINVEST INCOME FUND INTERIM DIVIDEND ANNOUNCEMENT. The Trustees of Worldinvest Income Fund are pleased to announce a \$3.00 per share interim dividend...

NEW ZEALAND THIRD ANNUAL REDEMPTION INSTALMENT. Dfs 60,000,000.- 7 1/2% bearer Notes of 1971 due 1975/1978

REPUBLIC OF SOUTH AFRICA THIRD ANNUAL REDEMPTION INSTALMENT. Dfs 45,000,000.- 7 1/2% bearer Notes of 1971 due 1975/1978

دولة الامم المتحدة

Bid by Weston Foods runs into bitter opposition

THE SAMANCOR AFFAIR

Doubt over Government attitude

WESTON FOODS' bid for the Provincial... The submission also claimed that when Weston originally... Weston Foods' bid for the Provincial... The submission also claimed that when Weston originally...

THE RECENT "Samancor of R221m... Such performance has made in... Weston Foods' bid for the Provincial... The submission also claimed that when Weston originally...

partly from its own cash needs... What happened when the bids... The reason for the suspension... Weston Foods' bid for the Provincial... The submission also claimed that when Weston originally...

gloomy outlook at BHP

OUR OWN CORRESPONDENT... BHP's outlook is gloomy... The company's future is uncertain... Weston Foods' bid for the Provincial... The submission also claimed that when Weston originally...

EXPECTED EURODOLLAR BOND PRICES

Table with columns for bond types (e.g., 10% INCOME), maturities, and prices. Includes sub-sections for MID-DAY INDICATIONS and TRUST INTERESTS.

Weekly net asset value... Tokyo Pacific Holdings N.V. I.S. \$39.55... Tokyo Pacific Holdings (Seaboard) N.V. I.S. \$28.83

VONTABEL EUROBOND INDICES table showing various bond indices and their values.

For the individual who banks with Morgan Guaranty: professional, confidential service

People with substantial incomes and assets have uncommon personal banking needs. Morgan Guaranty answers their needs with services that are confidential, conservative, professional—qualities that distinguish Morgan's banking service to the world's leading corporations.

When you have a personal account with Morgan—in cities like London, Paris, Zurich, New York—a banker is assigned to your account who understands your special requirements. By design, he serves a relatively small number of clients, and has the time and know-how to advise you, discreetly, on an unusually wide range of financial matters.

For more information about our personal banking services, write or visit Charles C. Bastin, Vice President, Morgan Guaranty, 31 Berkeley Square, London W1X 6EA.



Charles Bastin is head of Morgan Guaranty's personal banking office in London.

But the last word on Samancor's control has probably not been written yet. Its top executive directorate is elderly and a succession problem may arise. The next move could be for one of the contenders to seek to sell Samancor an asset in return for shares, reducing Iscor's stake and perhaps establishing a situation where control lay between Iscor's passively-held shareholders and the newcomer. That will not solve Iscor's cash problems, however, nor make the government's stance on investment any clearer.

What happened when the bids were opened and Anglo's proved to be the top price has been hotly disputed. But the outcome was that the Minister of Economic Affairs, Mr. C. Heunis, in search of funds, Iscor's doctrine opinion which ruled that Iscor could not sell its Samancor holding "in view of the magnitude of the transaction."

But the question widely asked was why, if this were the overriding consideration, Iscor had and Barlow Rand joining General Mining in the contest. Anglo bid the best price of 50 per cent. of Samancor.

Such performance has made in Samancor a highly successful business, always assuming, of course, that someone could afford to buy it. On July 12, its shares were suspended in Johannesburg at 750 cents, having risen strongly the previous day, and at this level it was capitalised at R216m, valuing Iscor's 45 per cent. interest at R100m.

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PUSA

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Aged 30-40 applicants should be qualified accountants with experience in a line role in a manufacturing industry. Please telephone or write to David Hogg ACA quoting reference 1/1519.

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01-242 7773

C&L up to £9,000 + car

DIRECTOR OF FINANCE

The Client One of the country's largest training organisations providing technical assistance, advice and support to industry.

The Job Reporting to the Chief Executive with responsibility for the finance, accounting and data processing functions. Key areas are financial planning, cash management and systems development.

The Candidate Aged from 40, mature, articulate and used to working closely with senior people in industry. An accounting qualification is essential.

The Package Salary negotiable up to £9,000. Subject to review each January. Car. Relocation expenses.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

J. G. Cameron, The Executive Selection Division - MF887,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

C&L c£10,000 + car

A SENIOR FINANCIAL APPOINTMENT

The Client A large worldwide insurance broker.

The Job Reporting to the Financial Director with responsibility for both financial and management accounting functions. Cost reduction and profit improvement will be important features of the job.

The Candidate A qualified accountant, male or female, aged from 30 with a minimum of five years' accounting experience outside the profession. An insurance or financial services background would be helpful.

The Package Salary negotiable around £10,000 plus a car. Other fringe benefits are excellent.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

E. J. Robins, The Executive Selection Division - MF855,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

oyez

CHIEF ACCOUNTANT (Designate)

SE London c £7,500

We are a public group of companies providing a wide range of products and services to the professional and commercial world including publishing, conferences and seminars, computer and other specialised services, stationery and office equipment, City and financial printing.

We are now looking for a qualified accountant (A.C.A., A.C.C.A., aged 29-40 to undertake the present Chief Accountant position who will be moving shortly into a general management position within the group.

The Chief Accountant is directly responsible to the Financial Director for the administration of the accounts department (80 staff) providing a central accounting service to group companies. The service includes sales and purchase ledgers, payroll and the provision of detailed monthly and annual accounts.

The successful applicant will be fully experienced in running a large department in addition to having a sound commercial accounting background.

As a progressive group we can offer sound opportunities for career advancement and a starting salary and benefits which reflect the importance attached to this position.

Please reply in writing with curriculum vitae to The Financial Director

oyez The Solicitors' Law Stationery
Society, Limited
Oyez House,
237 Long Lane
London SE1 4PU

A Way into Fund Management At least £7500

A fascinating exercise for the right sort of mind. This major British Group, with a turnover in nine figures, is looking for a Group Financial Accountant (Fund Management), whose overall responsibility will be to ensure the co-ordination and the best possible use of the Group's domestic and external funds and credit lines in the short, medium and long term. This will entail investing surplus funds, minimising interest charges, profitably arranging foreign exchange transactions and preparing financial projections. Already we can hear questions about the grand job title, the job description and the salary quoted. We appreciate the problem, but we still think it can be done, because above all we want young ability, to grow into the job. Hopefully we will find a qualified accountant, preferably a Business School graduate, with some commercial experience including international accountancy and foreign exchange work. Age could be mid to late twenties. Ideal personal qualities would include the ability to work independently and the confidence and coherence to question data or recommendations from both internal and external sources. Joining a congenial team in Mayfair, there will be plenty of professional and intellectual satisfaction in a job which offers considerable career prospects. Please write with full career details to Jack Cox.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 776/JAC.

BROOK STREET EXECUTIVE RESOURCES LIMITED
47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

Financial Management

London Salary £8,500 +

A UK holding company with substantial interests worldwide wishes to appoint an accountant to an important management post in its small Head Office team. Reporting to the Finance Director, the main roles will be to provide a comprehensive and effective financial information and accounting service, to manage the company's financial resources and to implement financial appraisal techniques in relation to existing investments.

This post could be particularly attractive to a younger accountant looking for an opportunity to obtain first class experience of modern financial management at the centre of a major group.

Basic requirements are:

- * A Chartered Accountant aged 30-35
- * A thorough accounting training obtained in a well-disciplined atmosphere
- * A well-rounded personality with the ability to gain ready acceptance both at group level and overseas.

Please write in the first instance, enclosing details, to the address below. (Reference 882 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

Ronald Fairbairn, Everetts Recruitment,
10 Greycoat Square, London SW1P 1SE

EVERETTS recruitment

The Lummus Company Limited

One of the World's leaders in design, engineering and construction of Oil Refineries, Chemical and other Process Plants, has a challenging and demanding opportunity for a Solicitor to fill the following position in the Company Secretary's Contracts and Insurance Department:

Manager of Contracts

Responsibilities include drafting, advising and commenting on contracts between the Company and its clients and participating in negotiations with representatives of industrial organisations in the UK, and overseas.

The major emphasis of the work is on commercial Contracts but the Department also deals with Bonds, Financing Agreements, Licences, Secrecy Agreements, etc.

Applicants (male/female) should have at least five years experience at a senior level in contract and commercial work in an engineering or contracting organisation, or in a firm of Solicitors.

There will be a need to demonstrate ability in negotiating with clients and in liaising with the Company's Executives and personnel at all levels.

Salary is negotiable and benefits include Pension, Life Assurance and Permanent Health Schemes. Travel loans, etc. Relocation expenses provided where appropriate.

Please send full career details to:

A. Harris, Manager Personnel & Industrial Relations,
The Lummus Company Limited, Mornmouth House,
58, 64 City Road, LONDON EC1P 1ES.
Telephone: 01-253 8444.

EE LUMMUS

TAX

"TOP MANAGER"

Negotiable c. £15,000.

This is an exceptional opportunity to join a progressive, medium sized firm of Chartered Accountants in the City of London seeking to expand the size and scope of its tax department.

The successful applicant, male or female, will take charge of a small team of mainly qualified accountants providing an all round tax and advisory service to a wide variety of substantial public and private company clients.

As well as offering tremendous potential in terms of client development there is the opportunity for the successful applicant to take overall responsibility for the administration and development of the tax practice as a profit centre within the firm. It is anticipated that the successful applicant should progress to partnership within a 1-3 year period.

For more information and a personal history form, please contact Trevor Atkinson, A.C.A. or George Ormrod, B.A. (Oxon) quoting Ref. No. 1934.

DIA Douglas Lymbas Associates Ltd.,
410, Strand, London WC2R 0NS.
Telephone: 01 836 9501,
121 St. Vincent Street, Glasgow G2 5HW,
Telephone: 041-226 3101,
and in Edinburgh.

Investment Manager

The expansion of funds under management necessitates the recruitment of an investment manager. Candidates should have several years experience of fund management preferably in international markets. The appointment carries a considerable degree of responsibility and discretion as well as competitive remuneration. Flemings are widely represented overseas and good opportunities exist for advancement, both in the UK and abroad.

Investment Analysts

Owing to promotion and expansion, vacancies exist for analysts with at least two years analytical experience. Of particular interest would be candidates with specialist knowledge of the electrical sector or economics. Good opportunities exist for advancement within the UK and overseas.

Applicants, of either sex, should write enclosing curriculum vitae to
D. W. J. Garrett, Robert Fleming Investment Management Limited,
8 Crosby Square, E.C.3.

ROBERT FLEMING

Finance Director

£20-25,000 salary net

Our client is a long established profitable group, with a £30 million turnover, engaged in a wide range of trading activities, shipping, manufacturing and tourism. The group is located in an unusually interesting and particularly pleasant developing country, and is associated with two important U.K. based international companies. There are excellent career prospects.

The Finance Director must be a qualified Accountant with a good track record in commerce or industry. The Executive will have to deal with top level governmental and institutional officials and therefore should have a well rounded education. An ability to speak French is preferred as is overseas experience.

Age 35-40.

The remuneration package will include housing and services, car, educational and home leave and other allowances.

Please write with full career details to David Munns:
KORN/FERRY DICKINSON LIMITED
20 Queen Street, Mayfair London W1X 7PJ

KORN/FERRY INTERNATIONAL

Financial Analyst

Brussels c. £16,000

An energetic, qualified accountant, preferably in his late twenties, is required at the headquarters of an international corporation based in Brussels to help monitor their African operations. Applicants should hold an ACA, ACMA or equivalent qualification and have several years' line experience in commerce or industry, although previous staff assignments in addition would be valuable. A quick analytical mind is essential together with the ability and the stamina to work under pressure. Some travel is involved and the ideal candidate would speak French in addition to English. If you would like to learn more about this professionally interesting and financially rewarding opportunity with a large, still growing organisation, please send your C.V., including present salary history and earliest starting date. (Ref: H1918/87)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may NOT be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA
A member of PA International

operational auditor

A major international manufacturing and marketing corporation, with European Headquarters in Brussels, has a challenging opening for an

The successful candidate will travel extensively throughout GERMANY and SCANDINAVIA, undertaking marketing and production appraisals, profitability reviews and financial audits.

Applicants should be aged at least 30 years and must have:

- ☐ a good university degree, MBA or recognized accounting qualifications,
- ☐ at least 8 years of business experience including EDP audit, operations or systems experience,
- ☐ fluency in ENGLISH, GERMAN and a SCANDINAVIAN language.
- ☐ a diplomatic personality and good oral and written communicative skills.

The position, based in GERMANY or SCANDINAVIA (at candidate's choice), offers an attractive compensation package and excellent future career prospects.

Please send detailed cv in strict confidence to:

Yves van den BOGAERDE, Management Consultant,
rue Major Pétillon 37, B-1040 Brussels, Belgium.

Job, in title

SENIOR EXECUTIVES

INTEREXEC gives positive assistance to Executives seeking new employment or to improve or change their careers.

Where to start looking for a job. Which Agencies can help. How to find unadvertised vacancies? What are conditions like in the Middle East? How to succeed at interview. How to find the right job at the right salary.

INTEREXEC maintains all the information you need, provides a comprehensive advisory service and does all the ground work of job hunting for you, enabling Executives to explore the market in confidence, and to secure the right appointments faster.

Why waste time? - Phone for details.
THE INTEREXEC REGISTER LTD.
The World Trade Centre, London E1 9AA.
Tel: 01-488 2400, ext. 53.

GENERAL MANAGER WANTED FOR TRADING COMPANY BASED IN LONDON

Applicants should have knowledge in general trade, e.g. building materials, chemicals, industrial and oil field equipment, Military and Police supplies, Pharmaceutical, Furniture, Foodstuffs, sports goods, etc.

A wide range of contacts with European/American suppliers would be useful, or previous experience in the Middle East markets. Periodical trips to and from the Middle East will be required.

Experience in dealing with Government and Oil Companies tenders would be an advantage. Very attractive remunerations plus profit sharing.

Please apply to:

EURO KUWAITI INVESTMENT CO. (UK) LTD.
144 Wigmore Street, London W1H 9FF

Marketing/Management MADRID

A marketing company major group in the UK wishes to recruit a sales manager to be appointed Madrid office in the next 12 months. Ideally an English speaking National, we are looking for a sales oriented person with experience in general electronic appliances, small size, to age 35-45, salary plus separate benefits. Please write with CV to: Box 6060, Telecom Tower, Green Street, EC2A 4PU



up to £15,000 + car

EUROPEAN FINANCE MANAGER

The Company: An international American group specialising in the sale and service of process control systems for the paper and plastic manufacturing industries. The group, which has subsidiaries throughout Western Europe, has an impressive record of growth over the past five years and worldwide sales are currently in excess of £360 million per annum, of which over £285 million are generated in Europe.

The Job: He or she will join a small headquarters team to assist the Director of Finance for Europe in the financial planning and control of European operations. Main areas of emphasis will be in raising funds, managing foreign exchange positions, cash management, insurance, tax planning, the appraisal of operating results and the review of financial operating procedures.

Candidates: Preferred age around 35. Original training with an international audit practice leading to an accounting qualification. Substantial experience since of the treasury function, which must include raising funds in Europe. A service industry or manufacturing background would be helpful.

The Package: Salary negotiable up to £15,000. Car for the candidate who succeeds in this job promotion prospects are excellent.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:

J. G. Cameron, The Executive Selection Division - MF855,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

Recently Qualified Graduate A.C.A.

To £8000

Our client is a very well-known public company, with varied production interests in the U.K. and W. Europe. Turnover is approximately £500m, and the return on capital is very healthy.

The Corporate Headquarters is based in London, and we have been retained to recruit a recently qualified A.C.A. You will act as the Group's internal financial adviser and be responsible for developing further a role which encompasses several aspects of creative financial management, including maximisation of cash and working capital resources, treasury and funding strategy, acquisitions and major capital investments, and assessment of overall commercial performance in relation to competition.

To be considered you must comply with the following criteria:-

- * Age 24-28 years
- * Preferably a graduate from university or business school
- * Trained with a major practice
- * Preferably, but not essentially, with some commercial experience in a similar type of business

An unblemished exam record (maybe with a place) and good degree will tend to indicate the intellectual calibre required, and this should be matched with a distinct commercial awareness. Salary is no object and could be up to £8,000 for the right candidate.

Please send a detailed c.v. to Peter Wilson, F.C.A., stating how you can meet the requirements. Interviews will take place in the week commencing 12th September.

Management Appointments Limited

Albemarle House 1 Albemarle Street London W.1. Tel: 01-499 4879

Accountant for Consultancy

Directorship prospects
Yorkshire based

One of the larger British consultancy companies is looking for an exceptionally able accountant capable of assuming a high level of responsibility within a comparatively short time of joining the practice.

The company, a member of the Management Consultants Association, enjoys an excellent reputation for its high professional standards and provides a wide range of consultancy services to national and local government bodies, industry and commerce, both at home and overseas.

Successful consultants are invariably of above average intellectual ability, strongly self-disciplined, persuasive and able to bring about change from what is essentially an advisory position. There are opportunities to match a rewarding, stimulating career in consultancy with a clear path to the top.

If you think that you meet this demanding specification and are a qualified accountant with first class experience please write giving full career details. These will be forwarded direct to our client. If separately any companies to whom your application should not be sent, Ref. B.1619.

CONFIDENTIAL RECRUITMENT
17 STRATTON STREET LONDON W1X 8DB
A member of MSL Group International

Treasurer

Nigeria

The rapidly growing Nigerian subsidiary of a multi-national corporation invites applications from Nigerian citizens for the position of Treasurer. Located at the Company's headquarters in Lagos, the person appointed will report directly to the Managing Director. The Treasurer will maintain relations with major banks, assist with import procedures (e.g. bid and performance bonds, letters of credit), monitor cash generation and application, perform credit and collection functions, provide cashier's service, including foreign exchange transactions, and advise on pension and insurance matters. An academic degree in economics or finance and an intimate knowledge of finance and bank procedures, based on at least ten years' directly applicable experience, are required. Salary and benefits will be in line with the importance of the position and the experience expected of the successful candidate. If you would like to find out more about this responsible and challenging opportunity, please send your curriculum vitae, including information on your availability and recent salary history.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hide Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex: 27874



A member of PA International

Internal Audit Manager for leading automotive company

Perkins Engines are the largest manufacturers of diesel engines in the world, and we are looking for an Internal Audit Manager to report directly to our UK Finance Director.

You should be a qualified accountant in your late 20's or early 30's - man or woman. Besides your professional or degree-level qualification, you should have at least 3 years' post-qualification industrial experience in an audit function. Experience should also include work in a sophisticated computer and systems environment.

More importantly you should recognise this position as an entry point to a broader financial management career within our worldwide group.

Your responsibility will be to develop a broadly based internal audit function throughout the Company and there will be special emphasis on improving our financial systems and procedures.

Salary and benefits are those you would expect from a major international company and include membership of our Management Car Scheme. You will be based at our worldwide head offices in Peterborough and generous relocation expenses will be paid to this area, where a wide range of housing is available and prices are amongst the lowest in the country.

Write with details of salary, career, etc. to D. Hindmarch, Director Personnel, Perkins Engines Limited, Eastfield, Peterborough PE1 5NA.



ADMINISTRATION/ OPERATIONS MANAGER

for the Luxembourg Head Office of new international bank with Middle East orientation. Candidates should be thoroughly experienced in all important branch banking Departments and functions and have successfully handled the position of branch Accountant or administration Manager. Experience in international administration/operations at branch and/or Head Office level will be an advantage. Knowledge of French and/or German desirable. The position would be of interest to those currently earning about £7,000 p.a. Foreign allowances would apply on transfer to Luxembourg.

Applications accompanied by detailed curriculum vitae may be sent in strictest confidence to: Box A6049, Financial Times, 10, Cannon Street, EC4P 4BY.

Corporate Planning

City c. £9,000 + car

A major financial group with diversified business interests in the U.K. and overseas, set up its central planning department five years ago and now produces strategic five year and short term plans to an established annual cycle. The department, whose role is recognised as integral to the group's business planning activity, works closely with executive management and the service functions, particularly the finance division. Internal promotion has created a vacancy for an experienced planner in the early 30's, with a professional or graduate training in a numerate discipline. Candidates should be thoroughly conversant with planning methodology and related techniques - particularly in financial analyses and forecasting - and

must demonstrate the ability to produce cogent and concise reports for top management. The key requirement is solid forward planning experience in a large, multi-product enterprise, preferably with an international dimension. Remuneration will be around £9,000 with an attractive range of benefits.

PA Personnel Services Ref: AA26 6100 FT

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write on an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hide Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Financial Director

c. £17,500 + car

An international public company based in the South East seeks a Financial Director. He or she is to be responsible to the Chief Executive for the complete financial function in UK and Overseas.

Applicants should be Chartered Accountants aged under 45 years with appropriate experience, preferably at board level, of a UK based public company engaged in manufacturing with a turnover exceeding £25M. Proven ability in dealing with City and overseas problems is more important than a first degree. A practical MBA and/or good linguistic ability could be an advantage.

Initial salary indicator is around £17,500 plus good fringe benefits including a car and relocation expenses.

Please write, in absolute confidence, with brief career details to R. N. Orr, Personal Services Division.



Spicer and Pegler & Co.,
Management Consultants,
3, Bevis Marks,
LONDON EC3A 7HL.

BIRMINGHAM STOCKBROKERS ENGINEERING ANALYSTS

wish to expand our established engineering research team in the mechanical/process engineering and related electrical engineering sectors, and require both a senior and/or analyst.

A successful applicant for the senior post is likely to have a good engineering degree and professional qualification, together with several years' experience in a relevant organisation, preferably in stockbroking or an investment institution, preferably with experience of the electrical or electrical sectors. Preferred age is 28-35.

A junior analyst will be expected to be responsible for coverage of smaller companies and would ultimately be expected to take responsibility for a specialist sector. Candidates must be capable of expressing themselves concisely and persuasively both orally and in writing. A degree or professional qualification would be an advantage but not essential and consideration will be given to a younger applicant. Preferred age is 24-30.

Salary will, in both cases, be negotiable, subject to experience and ability. Please reply with curriculum vitae to:

C. G. Porter
Albert E. Sharp & Co.
Edmund House
12 Newhall Street
Birmingham B3 3ER

CORPORATE FINANCE

Young firm of City Stockbrokers require a young graduate with good 'A' levels to train as an assistant to the Corporate Finance Partner.

Reply to:

BOX 887, WALTER JUDD LTD.
(Incorporated Practitioners in Advertising)
1a Bow Lane, London EC4M 7EJ

ACCOUNTANT BERMUDA

Major Insurance Group require a Chartered Accountant for their Bermuda office. Excellent conditions of service. Three-year contract.

Age group 27-33 years.
SALARY \$18,000 PER ANNUM

Please telephone, in confidence:
Eileen Miller or Trevor James
I.P.S. Group
01-588 5792

CHEMICAL PHARMACEUTICAL SPECIALIST SALES EXECUTIVE FOR LEADING STOCKBROKERS

Our clients are a large institutional stockbroking firm with a respected research department. They are seeking a specialist sales executive to work closely with their chemical and pharmaceutical analysts and to be responsible for communicating their views to institutional clients.

The ideal candidate will have spent several years as an analyst in these sectors, probably in a firm of stockbrokers where contact with institutional clients is encouraged, and will now be contemplating a more active marketing role.

Remuneration will be according to ability and there are excellent prospects of promotion within the selling team.

Applications will be forwarded direct to our client. Please indicate in a covering letter any firms to whom you do not wish to apply. Please send a detailed career résumé, quoting ref. 877 to:

W. L. Tait
Touche Ross & Co.
Management Consultants
4 London Wall Buildings
London, EC2M 5UJ
Tel: 01-588 6644

ATTACHE OR STOCKBROKER'S CLERK

wishing to develop own personal investment clientele, offered facilities and assistance by own member firm of London Brokers. In confidence to Box A4039, Financial Times, 10, Cannon Street, EC4P 4BY, or telephone 01-949 4245 (evenings).

BREWIN DOLPHIN & CO.

Members of the Stock Exchange

Require Partner's Assistant. Applicants will need to have investment experience and an ability to write good letters. The trust of individual clients has to be gained and the Applicant will have to enjoy meeting people and helping them with their investment problems.

Telephone: CHRISTOPHER LEGGE 01-405 8711

Up 2.6 on wage price curbs denial Sterling firm

BY OUR WALL STREET CORRESPONDENT

STOCKS ON Wall Street and General American Oil of Texas \$1 to \$53 1/2. Systems advanced \$1 1/2 to \$46 narrow mixed movements...

WEDNESDAY'S ACTIVE STOCKS

Table with columns for Stock Name, Change, and Price. Includes titles like Crown Simon, Ford Motor, and General American Oil.

OTHER MARKETS

Canada easier Canadian Stock Markets continued to tread a downward path in moderate activity...

Indices table for New York - Dow Jones, Standard and Poors, and other regional indices.

STANDARD AND POORS table showing various stock indices and their performance.

OVERSEAS SHARE INFORMATION

Large table listing overseas share information for various companies, including prices and dividends.

COPENHAGEN - Lower in active dealings

STOCKHOLM - Easier-inclined. GERMANY - Market started weakly, but subsequently showed a recovery on some foreign irregular orders...

Y.S.E. ALL COMMON table showing stock indices for various regions.

JOHANNESBURG table showing stock prices and indices for Johannesburg.

AMSTERDAM table showing stock prices and indices for Amsterdam.

BRUSSELS/LUXEMBOURG table showing stock prices and indices for Brussels and Luxembourg.

COPENHAGEN table showing stock prices and indices for Copenhagen.

VIENNA table showing stock prices and indices for Vienna.

NEW YORK, Aug. 31

There was a steady demand for the pound in the foreign exchange market yesterday...

FRANCE - Sterling was believed to be the result of continued intervention by the authorities into the foreign currency into the reserves...

EURO-CURRENCY INTEREST RATES table showing interest rates for various currencies.

GERMANY table showing stock prices and indices for various German cities.

AMSTERDAM table showing stock prices and indices for Amsterdam.

BRUSSELS/LUXEMBOURG table showing stock prices and indices for Brussels and Luxembourg.

COPENHAGEN table showing stock prices and indices for Copenhagen.

VIENNA table showing stock prices and indices for Vienna.

GOLD MARKET

Table showing gold market prices and movements.

FRANCE - Sterling was believed to be the result of continued intervention by the authorities into the foreign currency into the reserves...

CURRENCY RATES table showing exchange rates for various currencies.

EURO-CURRENCY INTEREST RATES table showing interest rates for various currencies.

FOREWARD RATES table showing forward rates for various currencies.

OSLO table showing stock prices and indices for Oslo.

JOHANNESBURG table showing stock prices and indices for Johannesburg.

STOCKHOLM table showing stock prices and indices for Stockholm.

MILAN table showing stock prices and indices for Milan.

Table with multiple columns listing various commodities and their prices, including metals, grains, and oils.

MARGINING AND RAW MATERIALS

Hold-up on 'green krone' change angers Danes

BY CHRISTOPHER PARKES
DANISH BACON and butter exporters were angered and worried yesterday by the failure of Denmark's Common Market partners to give immediate approval to a request for a 5 per cent devaluation of the 'green krone'.

U.S. option programme approved

By Our Commodities Editor
LONDON DEALERS yesterday welcomed the news that the U.S. Commodity Futures Trading Commission has agreed in principle to go ahead with the proposed three-year pilot programme for commodity options.

MARGINAL MILK PRODUCERS IN BRITAIN

An offer they can't afford to refuse?

BY CHRISTOPHER PARKES
WHEN THE Minister of Agriculture talks about small, inefficient farmers, most people in Britain assume that he is referring to those who produce milk on a small scale.

Japan's 'final offer' on sugar deal

BY OUR OWN CORRESPONDENT
JAPANESE SUGAR refiners have made their final offer to the Australian Government in the light of the Australian Government's offer to supply a drastic downward revision over the next three years.

Bigger cotton crop expected

WASHINGTON, August 31. THE INTERNATIONAL Cotton Advisory Committee has forecast a bigger cotton crop for 1977-78 than for 1976-77.

Export boom in U.K. beef calves

BY OUR COMMODITY STAFF
EAGER FOREIGN buyers are snapping up record numbers of top grade British beef calves for fastening abroad. Prices are rising sharply to heights which many U.K. farmers say they cannot afford to pay.

U.K. nickel price cut

Our Commodities Editor
FOREIGN agents for the Le Nickel group, controlling nickel prices in the U.K., have announced a price cut for nickel products with effect from today.

London soya trade moves on to 'kerb'

KERB TRADING in London's Soyabean Meal Futures Association market will start today. The market will continue trading from the official close of the open outcry market at 5.10 p.m. to the close of the Chicago Board of Trade soyabean meal futures market at 7.15 p.m. in London time.

PRICE CHANGES

Table showing price changes for various commodities like metals, grains, and oils.

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing commodity prices and market reports.

CLASSIFIED ADVERTISEMENT RATES

Table showing classified advertisement rates for different categories like business premises, property, and travel.

SOYABEAN MEAL

The market opened steady with little light trading during the morning with a slight upward bias.

NEW YORK August 31

Table showing New York market prices for various commodities.

GRAINS

LONDON FUTURES (GRAIN)—Market opened 75-80 points higher but quickly eased by about 70 points as profit-takers closed the market.

SUGAR

LONDON DAILY PRICE (raw sugar) 118.00 (same) a tonne for August shipment. White sugar daily price was steady.

Wool Futures

LONDON—No trades. Tonne fair. Prices were steady.

SILVER

Silver was traded on an ounce basis in the London market yesterday, at 552.50 p.p.

MEAT/VEGETABLES

SMITHFIELD (pence per lb) 50.00; Beef, Scotch Fries 49.00; Beef, Fries 48.00.

FINANCIAL TIMES

Table showing financial times data for various indices.

COCOA

Value fluctuated erratically in previous conditions in front of the September position. Physicals found light interest.

RUBBER

Uthmaniyah—opening on London physical market. Fair interest throughout the day, closing quiet.

Farm loan rates cut

By Our Commodities Staff
THE AGRICULTURAL Mortgage Corporation has cut the rate of interest for existing quarterly reviewed variable rate loans from 12 per cent to 11 per cent.

Advertisement for Grosvener Commodity Investments Ltd. with contact information and services.

Advertisement for Financial Experts Reassess Commodities—Have you?

Advertisement for Sterling Prices for Platinum Cut.

Advertisement for Dow Jones.

Advertisement for Moody's.

Advertisement for London Palm Oil.

Advertisement for Farm loan rates cut.

Advertisement for Sterling prices.

STOCK EXCHANGE REPORT

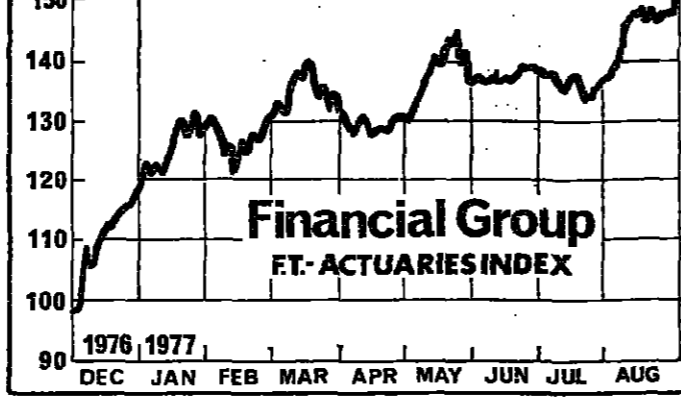
Talk of reduction in MLR helps index through 500 with a gain of 10.0 to 500.9—Gilts sharply better

Account Dealing Dates
First Declared Last Account
Dealings Date Dealings Day
Aug. 22 Sep. 1 Sep. 2 Sep. 13
Sep. 5 Sep. 15 Sep. 16 Sep. 27
Sep. 19 Sep. 29 Sep. 30 Oct. 11

whole variety of issues ranging from the shorts through to the longest maturities. The performance of sterling remained a major influence in market sentiment. While optimistic predictions about tomorrow's foreign currency and gold reserves added weight along with late afternoon talk of a possible cut in Minimum Lending Rate to-morrow; the MLR talk was responsible for the strong close and firm after-hours trading. Although overshadowed by the main funds, Corporations edged forward, usually by 1/2, and Romyley 1 3/4 per cent. 1980s gained much to 56 1/2 in 450-paid form.

Stores buoyant

Stores were in a buoyant mood again on increasing hopes of a day's half-yearly results. Elsewhere in Chemicals, Flows, still on Press comment, added 15 more to 357p.



Financial Group FT-ACTUARIES INDEX

Trading conditions remained quiet judged by official markings of 5.04, but the recent advance was taken a useful stage further on renewed buying which left widespread gains to 1 in British Funds and to 9p and more in leading shares. The firmness in the Funds again reflected sterling's recent good performance and hopes of a substantial further boost in the August currency reserve figures due to be announced to-morrow. Recent optimism about the trade balances moving into substantial surplus with the help of North Sea oil was being voiced again, while hopes were again being kindled that the recently rejected coal productivity deal may be referred to a national ballot of miners which may lead to some salvaging of the Government's pay policy.

Banks firmer
Home Banks firmed in sympathy with the general trend but the volume of business remained small. Lloyds and Midland were both higher at 238p and 298p respectively, while Barclays added 7 to 277p and National Westminster hurried 5 to 253p. Discounts tended higher with Allen Harvey and Rose 15 to the good at 47p. Hire Purchases were favoured with Lloyds and Scottish notable for a gain of 4 1/2 p.

Broad advance in Gilts
Actively broadened in Gilts-edged as the shorter maturities joined in an all-round advance which ended with quotations at the day's best and showing fresh gains extending to 7. Overseas funds continued to flow into Exchequer in an all-round advance which ended with quotations at the day's best and showing fresh gains extending to 7. Overseas funds continued to flow into Exchequer in an all-round advance which ended with quotations at the day's best and showing fresh gains extending to 7.

half earnings and IWI hardened to 65p for a similar reason. Linford dominated busy Foods and closed 80 higher at 230p on the substantially increased earnings. J. Salisbury improved 9 to 197p, while Park Farms, 274p, and Associated Dairies, 356p, put on 6 and 13 respectively. Barker and Dobson continued firmly, rising 1 1/2 to 8p for a two-day gain of 11. Fick Lovell hardened 3 to 63p and J. Lyons rose 4 to 98p. Billards featured Supermarkets with a rise of 12 to 180p in reply

unmanned source. B. S. and W. Timmo rose 3 to 48p on an investment recommendation and English and Overseas advanced 1 1/2 to 15p on the return to profitability and the proposed write-down of capital. Redfern National Glass, following a brief period of suspension in the morning, returned to close 3 up at 206p on news of the sharply increased dividend which had been allowed because of the company's fight against the partial offer from Rheem International.

Royal Worcester down
Leading miscellaneous industrial attracted fresh investment demand, but the rises were again disproportionate with the amount of business. Gains of 10 were seen in Rank Organisation, 234p, Reckitt and Colman, 485p, and Hoover A, 370p, while Turner and Newall followed closely with a rise of 9 to 220p. Beccam, which has made the running over the last week or so on the forecast dividend increase as well as hopes of a share split, ended only 2 up at 625p, after 625p. Increased consumer spending hopes lifted Boots 8 more to 225p, while similar gains were seen in Reed International, 203p, and Metal Box, 344p. BOC International, a dull market of late on disappointing recent quarterly figures, recovered 1 1/2 to 81p following late news that the U.S. District Court in Delaware has dissolved the injunction entered against the company arising out of the acquisition in 1973 of approximately 35 per cent of Afro Inc. Royal Worcester were an isolated dull spot on the lower first-half profits, but after falling to 115p recovered to 120p for a net loss of 10. Awaiting news of the big approach from a

similar gains were seen in British and Commonwealth, 308p, and Farness Wily, 303p. Having improved to 53p prior to the announcement of a bid approach, Primrose reacted to close a net 3 harder at 80p, being unsettled by the substantially reduced earnings.

Motors and Distributors had their share of bright features. Lucas Industries continued firmly, rising 8 to 310p in active trading for a two-day gain of 15 since the subsidiary has won a multi-million contract to supply fuel injection equipment for Volkswagen Golf diesel cars. K. and J. Quick hardened 1/2 to 23p in response to the improved interim figures. Godfrey Davis rose 4 1/2 to 83p and Hensley, 119p, and Hartwells, 65p, put on 3 p each. On the bid front, Peterborough improved 4 to 66p in sympathy with a rise of 2 to 74p in the parent. Against the trend, Volvo lost 50 at 850p for a two-day loss of 75 on abandonment of its planned merger with Saab-Scania.

Dealing were suspended yesterday in Milk and Allen International at 95p and 30p respectively at 11p, pending details of the proposed merger whereby M and A is to acquire Vasseur. Leading Oil began the day quietly, but was increased later, particularly in Shell which gained 3 to 566p. British Petroleum, however, remained extremely quiet awaiting to-day's interim results and hovered around the overnight level of 890p; the partly-paid shares were also unaltered at 348p. Revised speculation on North Sea prospects lifted OI Exploration 4 to 266p and Pecten 3 to 128p. Properties saw slightly more buying which was reflected in gains to 3 in the leaders. Land Securities, 124p, and MEPC, 98p, were the most active, but English hardened 1/2 to 44p. Hammonson A rose 10 to 523p, while gains of 7 were scored by Great Portland, 297p, A and J Blacklow, 230p, and J. Exchange, 148p. Warner Estate improved 3 more to 133p and Bradford 4 to 175p. Slough Estates responded to first-half results with a rise of a penny to 98p.

Gold firm again

South African Gold continued their move upwards, helped by the strong securities and the relative steadiness of the bullion price, which closed at \$348.25 an ounce after receiving only 25 cents from Tuesday's rise of \$1.25.

The rise took place in the morning on selective buying from the Cape which concentrated on medium-priced issues like Winkelbank, up 23 at 506p, Welkom, 9 harder at 188p, Harmony, 11 better at 317p and Libanon, which gained 12 to 321p. Some U.K. interest was also reported, but there was no stimulus from New York in the afternoon. The Gold Mines Index rose 2 1/2 to 111 1/2.

Although London-based financials were overshadowed by the industrial market, RTZ stood out with a rise of 6 to 215p with small buying meeting a slight stock shortage in the afternoon. The Conze Riotinto of Australia's buoyant interim figures. CRA's shares sagged in the Australian sector, losing 8 to 197p on lack of interest. The apparent lack of near-term prospects caused Pancontinental to lose 100 to 650p and Peko-Wallend to fall 15 to 380p among the Uranium group.

MONTHLY AVERAGES OF STOCK INDICES

Table showing monthly averages for various stock indices from July to May. Indices include Financial Times, Industrial, and others.

FINANCIAL TIMES STOCK INDICES table with columns for various indices and their values over time.

HIGHS AND LOWS table showing high and low values for various stock indices.

ACTIVE STOCKS table listing various active stocks and their prices.

NEW HIGHS AND LOWS FOR 1977 table listing new highs and lows for various stock indices.

RISES AND FALLS YESTERDAY table showing rises and falls for various stock indices.

WEIR THE WEIR GROUP LIMITED INTERIM STATEMENT. Results for 25 weeks ended 24th June, 1977. Subject to Audit. CONSOLIDATED PROFIT AND LOSS ACCOUNT. TURNOVER, PROFIT BEFORE INTEREST AND TAX, PROFIT AFTER TAX, PROFIT BEFORE EXTRAORDINARY ITEMS, PROFIT ATTRIBUTABLE TO THE WEIR GROUP LTD., EARNINGS PER SHARE, INTERIM DIVIDEND, TRADING AND PROSPECTS.

RECENT ISSUES table listing recent issues in equities and fixed interest stocks. 'RIGHTS' OFFERS table listing rights offers. OPTIONS TRADED table listing options traded. DEALING DATES table listing dealing dates.

FT-ACTUARIES SHARE INDICES. These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries. EQUITY GROUPS table listing equity groups and sub-sections. FIXED INTEREST PRICE INDICES table listing fixed interest price indices.

WEIR logo and company name.

DEALING DATES table listing dealing dates.

FT-ACTUARIES SHARE INDICES table listing share indices.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

ES STOCK IN... CLOSING... CHANGES... LOWS FOR... RISES... FURTHER IN...

Table of Unit Trusts including: Guardian Royal Ex. Unit Mgrs. Ltd., Practical Invest. Co. Ltd., Henderson Administrations, etc.

Table of Offshore and Overseas Funds including: Arbuthnot Securities (C.I.) Limited, Fidelity Mgmt. & Res. (Cdn.) Ltd., Kemp-Gee Management Jersey Ltd., etc.

BASE LENDING RATES table listing various banks and their rates for different terms.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds including: Abbey Life Assurance Co. Ltd., Equi & Law Life Ass. Soc. Ltd., etc.

ADVERTISERS AND LAGGARDS table listing various companies and their share prices.

CLIVE INVESTMENTS LIMITED advertisement with contact information and insurance base rates.

Probably the finest short course in the world. THE FINANCIAL TIMES. Apply for the April & October '78 Courses to Sylvia Pridett...

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Stock, Div. Yield, and Price. Includes various fund names like Treasury Stock, Overseas, and Growth funds.

CANADIANS

Table of Canadian stocks with columns for Stock, Div. Yield, and Price. Includes companies like Alcan, Inco, and Northern Copper.

BUILDING INDUSTRY - Continued

Table of Building Industry stocks with columns for Stock, Div. Yield, and Price. Includes companies like Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease.

DRAPERY AND STORES - Continued

Table of Drapery and Stores stocks with columns for Stock, Div. Yield, and Price. Includes companies like Debenhams, Debenhams, and Debenhams.

ENGINEERING - Continued

Table of Engineering stocks with columns for Stock, Div. Yield, and Price. Includes companies like Balfour Beatty, Balfour Beatty, and Balfour Beatty.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks with columns for Stock, Div. Yield, and Price. Includes companies like Abbey National, Abbey National, and Abbey National.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Stock, Div. Yield, and Price. Includes companies like ICI, ICI, and ICI.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks with columns for Stock, Div. Yield, and Price. Includes companies like GEC, GEC, and GEC.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Stock, Div. Yield, and Price. Includes companies like Balfour Beatty, Balfour Beatty, and Balfour Beatty.

INTERNATIONAL BANK

Table of International Bank stocks with columns for Stock, Div. Yield, and Price. Includes companies like Citicorp, Citicorp, and Citicorp.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks with columns for Stock, Div. Yield, and Price. Includes companies like Rank Organisation, Rank Organisation, and Rank Organisation.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Stock, Div. Yield, and Price. Includes companies like Balfour Beatty, Balfour Beatty, and Balfour Beatty.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Stock, Div. Yield, and Price. Includes companies like Borden's, Borden's, and Borden's.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks with columns for Stock, Div. Yield, and Price. Includes companies like Allied Breweries, Allied Breweries, and Allied Breweries.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Stock, Div. Yield, and Price. Includes companies like Debenhams, Debenhams, and Debenhams.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for Stock, Div. Yield, and Price. Includes companies like Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Stock, Div. Yield, and Price. Includes companies like Balfour Beatty, Balfour Beatty, and Balfour Beatty.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Stock, Div. Yield, and Price. Includes various international loan funds.

AMERICANS

Table of American stocks with columns for Stock, Div. Yield, and Price. Includes companies like Alcoa, Alcoa, and Alcoa.

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S.F. List Premium 24% based on S15.7429 per D

Conversion factor 8.2042 (0.7370)

Vertical list of stock prices and company names on the far right edge of the page.

NEW JAPAN SECURITIES

NEW JAPAN SECURITIES Tokyo, Japan

Stock market listings including various companies and their share prices.

PROPERTY - Continued table listing real estate transactions and prices.

TRUSTS - Continued table listing trust companies and their services.

MINES - Continued table listing mining companies and their operations.

OVERSEAS TRADERS table listing international trade companies.

RUBBERS AND SISALS table listing rubber and sisal products.

TEAS table listing tea products and prices.

PROPERTY table listing real estate listings.

TRUSTS, FINANCE, LAND table listing trust and financial services.

TOBACCO table listing tobacco products.

MINES table listing mining companies.

OVERSEAS TRADERS table listing international trade.

RUBBERS AND SISALS table listing rubber and sisal.

TEAS table listing tea products.

THE £900 MILLION INVESTMENT EXPERIENCE Canlife units

Callaghan's hint of spring reflation

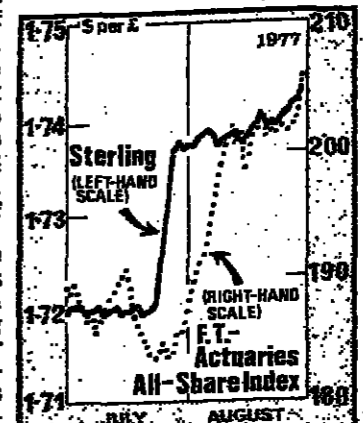
BY RAY PERMAN, SCOTTISH CORRESPONDENT THE PRIME MINISTER strongly hinted at the opening of his Scottish tour last night that the Government was planning to reflate the economy in the spring.

Owen expects Smith will condemn Anglo-U.S. plan

BY MARTIN DICKSON NAIROBI, August 31. DR. DAVID OWEN, British Foreign Secretary, now expects Mr. Ian Smith to condemn the new Anglo-American Rhodesian settlement proposals which he is to present to the Rhodesian leader in Salisbury tomorrow.

THE LEX COLUMN At last the 1968 show

Index rose 10.0 to 500.9



After teetering on the brink for much of the day, the FT 30-Share Index finally pushed through the 500 level at the close, aided by a renewal of hopes for lower interest rates.

profits are being taken stage, although Weir... The current half-year profits are brought to the period of a long tract. Elsewhere, the performed well, buoyant exports also produced a big contribution although a bit of a slack in overseas business.

Strike by 850 air control assistants expected to-day

BY DAVID CHURCHILL, LABOUR STAFF AN ALL-OUT STRIKE by 850 air traffic control assistants is expected to begin this morning following the issue of an ultimatum by the Civil Aviation Authority to suspend without pay those assistants who refuse to work normally.



MR. KEN THOMAS General Secretary of the CPFA.

Carter statement raises hope of U.S. investment in Ulster

BY GILES MERRITT DUBLIN, August 31. THE IRISH GOVERNMENT last night was making it plain that it thought the most significant and hopeful aspect of President Carter's Ulster statement was his call to Americans for an end to financial aid for paramilitary organisations.

IMI

Encouraged by U.S. price cutting, the copper price has fallen by 27 per cent since March and looks likely to stay down, freeing groups like Imperial Metal Industries, Delta Metal and McKechnie Brothers from most working capital worries.

Weir Group

First half pre-tax profits of the Weir Group are up 35 per cent to £4.53m. after a £0.31m. drop in interest outgoings, but the pace of the advance is lagging behind the 43 per cent. pre-tax, and 80 per cent. up at turnover gain.

Weather

U.K. TO-DAY RAIN in north and west spreading to many central and south western parts. Generally cool. London, S.E. England, E. Anglia, Cent. S. England, E. Midlands, E. England, Channel Is.

BOC freed from U.S. injunction

By Stewart Fleming NEW YORK, August 31. A U.S. district court has lifted an injunction preventing BOC International from developing freely its relationship with the American industrial gas producer Airco, in which BOC acquired 35 per cent share stake in 1973.

Nigeria seeks \$1bn. in first big loan

By Mary Campbell NIGERIA IS to raise a \$1bn. loan from foreign commercial banks in its first foray into the international capital markets. Originally the loan had been expected to be between \$500m. and \$700m.

Continued from Page 1

TUC and Grunwick

Mr. Ward was adamant that the company would stick to its position even if it was forced to shut down. "Grunwick has acted within the law, both in letter and spirit. It will not abandon its legal rights and is shocked that it should be asked to do so."

'COMPUTERS EAT MONEY'

'Ours only eat work' say KIENZLE

Advertisement for KIENZLE 2000 Office Computer, featuring a computer terminal and text describing its features and benefits.

Table with columns for Business Centres and Holiday Resorts, listing various locations and their weather conditions.

Handwritten signature or note at the bottom of the page.